

DAILY REPORT

Latin America

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OFFICIALS AT ILET SEMINAR MAKE STATEMENTS

Argentine Official on Falklands

PY192034 Paris AFP in Spanish 1444 GMT 18 Aug 85

[Text] Montevideo, 18 Aug (AFP) -- Argentine Deputy Foreign Minister Jorge Sabato said here today that the fortification of the Malvinas Islands by Great Britain is becoming a great threat to the entire region. The government official, who is attending a seminar on regional political cooperation for democracy sponsored by the Latin American Institute of Transnational Studies (ILET), said Argentina is concerned about what is taking place in the southern zone. One of our greatest concerns is that the fortification of the Malvinas Islands is becoming a great threat to the whole region, perhaps more than was originally intended, he remarked. Sabato said Great Britain's attitude is creating conditions for an East-West conflict in a region where one of the few advantages we had was our removal from this conflict. He added that it would be preferable to look for a peaceful, negotiated, and rational solution, and warned that the inclination toward fortification and military threats is really very dangerous.

Regarding the question of the Latin American foreign debt (about \$360 billion), Sabato said it simply cannot be paid, or the continent will be doomed to permanent underdevelopment. However, he stressed that his country, with a foreign debt of about \$50 billion, has the intention of servicing this debt, but only after a number of the conditions are changed. There is no possibility of servicing this debt without attaining economic growth and, if the present conditions are maintained, this growth will be impossible, Sabato said.

Chile's Valdes on Pinochet's Fall

PY191545 Paris AFP in Spanish 1501 GMT 18 Aug 85

[Text] Montevideo, 18 Aug (AFP) -- Gabriel Valdes, a former Chilean foreign minister and leader of the Christian Democratic Party, today said here that it is improbable that President Augusto Pinochet will stay in office until 1989, and accused the government of his country of indoctrinating the citizens through a refined system of controlling the communications media. Valdes, who is here attending a seminar on regional political cooperation for democracy that is being sponsored by the ILET, stated that the Chilean regime, which has been in office since 1973, is deteriorating internally. He added that this deterioration is reflected in the rivalry among the intelligence services. Valdes pointed out that governmental authority is decreasing and that violence is increasing dangerously.

According to Valdes, in light of recent events in Chile, it is improbable that Pinochet will stay in office until 1989, because the great majority of the population is showing a desire for a prompt solution to the national situation. The discovery of crimes and the public's suspicion that the authors of the worst crimes are members of the Carabineros forces have created a very difficult situation for the government, he stressed.

Valdes also pointed out that one of the factors allowing Pinochet to stay in office is his government's tight control over the news media. The government uses the media, especially the television and the press, as if they were government agencies. It is a refined campaign of indoctrination against political life, against politicians, against the history of Chile, against social life, and against all people who oppose the regime, he remarked.

DETAILS OF NATIONAL DEFENSE BILL DISCLOSED

PY192259 Buenos Aires DYN in Spanish 1240 GMT 16 Aug 85

[Text] Buenos Aires, 16 Aug (DYN) -- The national defense bill, proposed by the executive branch, would abolish the national security doctrine, grant the president supreme authority to conduct war, and rule out the possibility of "domestic politics" becoming a matter for military intelligence organizations. The proposal, approved by the deputies commission of the Radical Civic Union, recognizes foreign aggression as a justification for conflict and "guarantees the sovereignty and independence of the nation," an issue which became the most important source of friction with the opposition, which demands the inclusion in the bill of a provision for declaring a state of internal conflict if there is a terrorist outbreak. The government bill, which is divided into 5 titles and 37 articles, places national defense within the framework of the Constitution "to provide for the common defense," thus setting the legal basis for its structure and organization, which "must comply with the Constitution."

Article 2 grants the president "the authority to direct the national defense and the Armed Forces," although it recognizes the possibility of his having the "advice" and "assistance" of a defense cabinet and a military committee. The two organizations, which are only to be created in case of "war," would be made up of the president, who in all cases would "make the decisions," the vice president, and the ministers of defense, interior, foreign relations, and economy. The military committee would be made up of the defense minister, the Armed Forces chief of staff, and the chiefs of staff of the branches of the Armed Forces "to assist" the president in conducting a war.

Article 8 proposes the creation of a National Intelligence Center (CNI), under the Secretariat for State Intelligence, to provide the president with "strategic information" on defense. The same article states that "domestic politics" would not be a matter for consideration of the military intelligence organizations.

Title II of the bill permits joint actions by the Armed Forces by "unifying functions, activities, and services that are not specific to any of the branches of the Armed Forces," and it reiterates the Armed Forces strict subordination to the civilian government. Title V abolishes Law No 16,970 of the de facto government on the national security doctrine in addition to other legal rules on defense opposing the government proposal.

FARIAS REPLACES LACERCA AS INDUSTRY SECRETARY

PY191550 Buenos Aires TELAM in Spanish 1416 GMT 19 Aug 85

[Excerpt] Buenos Aires, 19 Aug (TELAM) -- It has been reported at Government House that the executive branch today issued Decree 1,543, appointing businessman Nestor Farias Bouvier as the new industry secretary. Farias will replace Carlos Lacerca, who has resigned his post.

SOCIALIST ALLIANCE CALLED 'CONCRETE FACT'

PY200047 Buenos Aires Domestic Service in Spanish 1600 GMT 19 Aug 85

[Text] Guillermo (Marcelo) Boedo, president of the Popular Socialist Party, has said the socialist alliance is already a fact. He said the socialist alliance, comprising his party, the Argentine Socialist Confederation led by Alicia Moure, de Justo, the Chaco Province Socialist Party, and the Social Democratic Party is a concrete fact, because they will run on one election ticket nationwide.

SENATE RESOLUTION SUPPORTS ARGENTINA ON FALKLANDS

PY160252 Madrid EFE in Spanish 1647 GMT 15 Aug 85

[Text] La Paz, 15 Aug (EFE) — The Bolivian Senate has expressed its solidarity with the Argentine people and government in their quest for the return of the Malvinas Islands to the sovereignty of that neighboring country.

A Senate resolution that was released today states that the Senate has decided to reiterate its solidarity with the Argentine people and government for the reintegration of the Malvinas Islands to Argentina's territorial sovereignty. The resolution also states that the support for the Argentine cause is in honor of the international justice that Bolivia has always invoked regarding its landlocked cause and for the cause of Latin America as a whole for an end to colonial domination on this continent.

Gaspar Toboada, the Argentine ambassador to La paz, in a brief talk with EFE, today said that his government will receive with satisfaction this expression of solidarity for its cause.

"I am deeply grateful to the Bolivian people and government for their demonstration of sympathy and affection toward my country," the ambassador said, and he announced that he will visit the president of the Bolivian Senate to hand him a note of thanks. Argentina and Bolivia have maintained close relations since the two countries returned to democracy. In the field of cooperation Argentina has donated several tons of food for the benefit of the population, especially the poorer classes.

Ambassador Toboada today stated that Argentine President Raul Alfonsín will continue to support the Bolivian democratic process and the development programs that are to be carried out.

The diplomat also said that his government will support the implementation of the supply policy that has been outlined by President Victor Paz Estenssoro. He reported that to this end details are being concluded with the National Grain Board of Argentina to supply 10,000 tons of wheat that will guarantee the supply of bread for the Bolivian people.

DRUGS SEIZURE CAUSES ARMY, POLICE CONTROVERSY

PY152213 La Paz Cadena Panamericana in Spanish 1700 GMT 15 Aug 85

[Text] This is a report from Santa Cruz. A controversy has occurred over the 14 August seizure of ether and acetone. The departmental police said that they seized the chemicals but a few minutes ago General Gary Prado Salmon, commander of the Eighth Army Division, said that he is surprised by the police declaration. General Prado Salmon indicated that on a request from the departmental Custom House the military police seized ether and acetone shipped from Argentina through Yacuiba. Prado Salmon said that he is surprised at the declaration made by Colonel Carlos Fernandez because the police did not take part in this operation carried out on 14 August.

Jose Sambrana, the director of the departmental Custom House, has said that the seized items include 4,000 containers which is about 150,000 liters of acetone and other products used exclusively for making cocaine.

ELECTIONS MAY DISRUPT DEMOCRATIC ALLIANCE

Sarney Acts to Save Coalition

PY182027 Rio de Janeiro O GLOBO in Portuguese 16 Aug 85 p 2

[Excerpt] Brasilia -- President Jose Sarney believes that his ministers are free to support the candidates of their choice in the upcoming November municipal elections, but he is determined to adopt a position to preserve the Democratic Alliance should the regional crises expand to the national arena, thus affecting the government's political support in Congress.

Planalto Palace Press Secretary Fernando Cesar Mesquita summed up the government's position about the elections: "The ministers are not elementary school students and the president is not a schoolteacher who should tell them what to do."

The president will not consider as incorrect any posture adopted by the ministers: If Justice Minister Fernando Lyra wants to support Jarbas Vasconcelos, Brazilian Socialist Party [PSB] candidate for Sao Paulo governor; or if Mines and Energy Minister Aureliano Chaves and Foreign Minister Olavo Setubal, both of the Liberal Front Party [PFL], want to support Janio Quadros, Brazilian Labor Party candidate, Sarney does not mind.

Press Secretary Mesquita added that "the president cannot keep the ministers from participating in the campaign because in addition to being members of the cabinet, they are politicians and party members."

According to another presidential adviser, the president believes that the ministers "could be more discreet" in their statements so as not to aggravate tensions within the Democratic Alliance. The government is attentively watching the crises in the various states and has decided to stay out of regional disputes, but is reserving for itself the right to act whenever those disputes begin to have repercussions at a national level, because its political support for the passage of measures it sponsors depends on the Democratic Alliance functioning in Congress.

In view of the strong Brazilian Democratic Movement Party's [PMDB] reaction to Aureliano Chaves' support to the candidacy of Janio Quadros for the mayoralty of Sao Paulo, President Sarney yesterday asked some PMDB ministers to abstain from criticizing the mines and energy minister in order to preserve the Democratic Alliance, the existence of which begins to be shaken up by that support.

Still, some ministers, like Agriculture Minister Pedro Simon, have proclaimed that the Democratic Alliance is coming to an end. According to these ministers, the Democratic Alliance should cease to exist when the constituent assembly convenes.

Alliance Cohesion in Doubt

PY160308 Madrid EFE in Spanish 0134 GMT 15 Aug 85

[By Francisco Roque Bacarreza]

[Excerpt] Brasilia, 14 Aug (EFE) -- President Jose Sarney, who returned today from Uruguay, must immediately begin a struggle against the ghosts of the repression, he must try to maintain the cohesion of the Democratic Alliance and he must make a decision about the negotiations with the IMF.

A Planalto Palace (government house) spokesman today told EFE that there is no danger that the Brazilian democratic process will be Argentinized [Argentinizar], but he did admit that there is concern over the silent and fierce war between leftist and rightist forces. In its latest issue, the magazine VEJA highlights the fact that Sarney is more concerned about the stories of those who died during the years of repression than with an offensive by General Figueiredo.

The list of priority matters that await the president after his 3-day official visit to Uruguay includes the preserving of the fragile unity of the Democratic Alliance, and the political base of the civilian government, which is already weakening just 5 months after coming to power. The elections for mayors, which are scheduled for 15 November 1985, has virtually destroyed the Alliance in 9 of Brazil's 23 states.

According to public opinion, the most recent political surprise, which shook Brasilia's political foundations, in this agitated election campaign was the announcement made by Mines and Energy Minister Aureliano Chaves in Uruguay that he would support Janio Quadros, an opposition candidate and controversial former president. Chaves is one of the main figures of the Liberal Front, which together with the Brazilian Democratic Mobilization Party make up the Democratic Alliance that politically supports Sarney.

A high-ranking Planalto Palace source has told EFE that before or after the November elections the makeup of the government will be modified on the basis of the political transformations that may occur in the Alliance, which was created by the now deceased Tancredo Neves.

NAVY RENEGOTIATES CONTRACT WITH FRANCE

PY161856 Rio de Janeiro O GLOBO in Portuguese 14 Aug 85 p 6

[Text] Brasilia -- The Navy has renegotiated with Aerospatiale the purchase of 16 French antisubmarine "Super Puma" helicopters. The Navy will now use this \$78-million credit line for the purchase of 11 biturbine "Ecureil" helicopters -- for training and for assistance to ships in the Antarctic and Amazon regions -- plus eight Exocet-missile launchers for antisubmarine frigates. Only six "Super Puma" helicopters, to be used on the frigates, remain in the purchase contract.

This decision was conveyed to the Admiralty by Navy Minister Henrique Saboya who explained that, because of credit restrictions imposed by the new Republic, he preferred to buy more equipment already being used by the naval squadron rather than create supply problems through the purchase of new equipment not in the Navy inventory. The military services at the French Embassy have supported the Navy in its renegotiation of the program, thus helping overcome several obstacles imposed by the French Foreign Ministry. The Air Force, through Minister Moreira Lima, has tried to do the same thing regarding its purchase of 16 "Super Puma" helicopters, a purchase decided upon by the last government. However, that renegotiation was impossible because Minister Moreira Lima wanted to exchange the helicopters for spare parts for Mirage III fighters, built by the Marcel Dassault factory for the Air Defense Group. These two credit lines are part of a "jumbo" contract which was negotiated between former Planning Minister Delfim Netto and the Villa de Paris Bank. Besides the Navy and Air Force Ministries, many other organizations have used the credit lines for the purchase of French equipment. The Institute for the Administration of Social Assistance and Welfare (IAPAS) and the National Institute of Social Security (INPS) are among them. The money has been channeled to the federal agencies through the Banco da Cidade de Sao Paulo.

PINOCHET DENIES RUMORS OF POSSIBLE COUP

PY191959 Paris AFP in Spanish 1908 GMT 19 Aug 85

[Text] Santiago, 19 Aug (AFP) — President Augusto Pinochet today denied rumors that circulated Friday in Chile about a possible coup d'etat against his government. Those are baseless rumors, Pinochet said in the city of Los Angeles, 520 kilometers south of Santiago, in reply to a question. Pinochet said: Rumors about a coup d'etat circulated last Friday. And I want to ask: A coup by whom? By no one. Those are just rumors. Pinochet added: I am the only one who could promote an uprising here. He went on to say that everything is calm.

In Santiago, Interior Minister Ricardo Garcia described the rumors as absolutely groundless, and Minister Secretary General of Government Francisco Cuadra regarded them as absurd.

The rumors, which ranged from reports on military deployments in Santiago to outbreaks of insubordination among Carabineros personnel, began to circulate on the afternoon of 16 August, when a reduction of personnel became noticeable in several Santiago hospitals. [sentence as received]

In the case of the Carabineros, the rumors seemed to be founded on the reorganization of its high command after General Cesar Mendoza's resignation from the military junta and from the Carabineros, which he had headed for 12 years. Mendoza resigned on 2 August, when a judge indicted 14 Carabineros officers and agents for involvement in the kidnapping and murder of three members of the proscribed Communist Party. However, Mendoza's successor, General Rodolfo Stange, today denied the existence of an internal movement by angry officers after 5 generals and 24 high-ranking officers were sent into retirement last week. We are more united than ever, said Stange during a ceremony in which the officers who replaced the five retired generals were installed.

Denies Poor Health Reports

PY200307 Santiago Radio Chilena in Spanish 2330 GMT 19 Aug 85

[Excerpts] President Augusto Pinochet has categorically denied the coup rumors which have circulated since 16 August. He said the reports are totally groundless. The president added: Reports have circulated saying that I am sick. I have just completed a medical checkup that proves that such reports are completely untrue.

In a speech he delivered during a civic act in Los Angeles, the president once again criticized politicians.

MINISTERS DENY 'STATE OF MILD DISSATISFACTION'

PY192310 Santiago Radio Chilena in Spanish 1700 GMT 19 Aug 85

[Report from La Moneda Palace by Percio Alvel]

[Text] Early this afternoon, Interior Minister Ricardo Garcia denied press reports of an alleged state of mild dissatisfaction in southern Chile. The minister said the reports are groundless and there is nothing else to be said about it. Garcia said there is absolute disinformation in the reports, which were published by a magazine and by some morning newspapers. The minister added that the government will not release any statement denying the reports. We cannot give credit to such groundless information, he said.

Asked whether the reports may have been aimed at political goals, the minister replied: I do not think anyone will try to reap political benefits from this type of rumor. In addition, who would believe it? he asked. He added: I believe only misinformed people or people who are unaware of current events pay attention to such things.

In turn, Minister Secretary General of Government Francisco Javier Cuadra has also dismissed the reports as false and groundless. He said this is the first time he had heard about the issue. Minister Cuadra remarked that the rumors have nothing to do with the state of siege.

MIR'S ALLENDE DISCUSSES TERRORIST ACTIONS

PY180317 Santiago El MERCURIO in Spanish 9 Aug 85 pp A 1, C 4

["Text" of interview granted by MIR Secretary General Andres Pascal Allende to EL MERCURIO correspondent Rene Jauregui during Latin American foreign debt meeting in Havana]

[Text] [Jauregui] Does the Revolutionary Left Movement [MIR] participate in the Manuel Rodriguez Patriotic Front [FPMR]?

[Allende] MIR combatants participate in the militias of popular resistance, which are well known.

[Jauregui] Which terrorist acts has MIR carried out lately?

[Allende] We have expanded and developed sabotage actions against the railroads. We have carried out several actions of this type of sabotage, including the derailment of train convoys. We have also coordinated many actions against electrical installations, and blown up many high-tension power lines.

[Jauregui] Does this mean that a high percentage of the blackouts can be attributed to the MIR?

[Allende] At least half of them.

[Jauregui] And the other half?

[Allende] I have no doubt that the FPMR is responsible for the other half. We have also executed actions to punish repressive agents, such as the one at the Araucano Hotel in Concepcion. There we managed to execute some offices of the National Intelligence Center. We staged some ambushes, such as the one at Paso Hondo in Valparaiso about which the dictatorship kept silent. It was made to look as though a military vehicle caught fire. That action was directed at Navy patrol personnel who were conducting search and repression missions. We have also carried out actions of harassment against police quarters.

[Jauregui] This then supports the idea that the security forces act in response to that violence. To what extent has this turned into a dirty war, as it is called in Argentina, which has no major political repercussions except for the violence it generates, a violence that is repudiated by the majority of the population?

[Allende] Here we have had a dirty war against our people for the past 12 years, and we have begun a just war of the people against the dictatorship. This is not the confrontation between two opposing apparatuses. Although there might be people who are confused or misinformed by the dictatorship-controlled news media, the receptiveness we find among popular sectors belies the repudiation you pointed out. So the punishment actions against the repressive apparatus strengthen the morale of our people's democratic struggle.

[Jauregui] Why do you differentiate between legitimate violence and terrorist violence, when the two look the same?

[Allende] Terrorism is what the dictatorship practices. The MIR has never tortured anyone, has murdered no innocent person, has no jails nor secret interrogation centers. True, we practice a violent resistance, an armed resistance in the people's self-defense. Most of the resistance actions are the popular demonstrations by the fighting brigades in the poor neighborhoods that are not all MIR brigades. We also have some combat groups that are better prepared and armed for actions of a larger scope. We believe that it is not only legitimate but ethical to resort to violence against an unjust and repressive regime, because the revolutionary violence stands on moral grounds. We launch our attacks against the repressive forces; we do not go around killing traffic patrolmen or young soldiers discharging their military duty.

[Jauregui] In an attack in Valparaiso, you killed a group of Carabineros traveling in a bus from their institution.

[Allende] It was not a group of Carabineros, but a group of special antiriot Carabineros. They were not public order agents going to work. We understand that the situation of misery and unemployment forces many people to go to work as Carabineros or to join the Armed Forces in order to survive. We understand this, and we do not have any interest in fighting or attacking them. But those who wear uniforms know very well that there are special repressive bodies within the Armed Forces.

[Jauregui] The situation in Chile now is different from that which we had some years ago. Don't you believe that the postulates of your actions should change accordingly?

[Allende] That is not the whole picture in Chile. There have been some changes in recent years. The mobilizations and the protest demonstrations show that Chileans who oppose the dictatorship have actively joined the struggle. The spectrum of the opposition is widening. Unfortunately, it is difficult to topple a dictatorship solely by means of social and political struggle, because dictatorships stay in power by means of their repressive power, their violence against the masses. Recent events have shown that it is not necessarily armed groups or crazy rightists but the armed institutions, the Carabineros, in this case, who are involved in the murder of Chilean citizens, who are not terrorists but leaders of human rights organizations, teachers. What will happen in Chile will in the first place depend on the regime's intention of perpetuating itself in power through violence and repression. This will lead to increasing polarization of political and social forces that will provoke ever harsher confrontations.

[Jauregui] You speak of democratic intransigency. Does this movement, in which several political forces participate, mean that groups such as the MIR and the Communist Party will have to relinquish violent methods of struggle which disturb other sectors?

[Allende] I believe that unity cannot be forged on the basis of questioning the anti-dictatorial struggle carried out by other forces. Unity should rest on shared points of view, namely, the conviction and decision to intransigently struggle to topple the dictatorship, and the objective of establishing a truly democratic government in our country through a constituent assembly in which the Chileans should freely and sovereignly draw up a constitution as the basis for a future democratic government. There is also agreement that the active and offensive mobilization of the masses, as well as the constant agitation and political struggle, is a necessary form of struggle. The MIR does not think that the dictatorship can be toppled only through the armed struggle. We think that the struggle against the dictatorship must be carried out in the various forms. We think we must advance in that direction through the organization of the masses, unifying all those who are true democrats, and also with the armed struggle.

[Jauregui] In 1973, the MIR was a small group, mostly made up of students, but it had an important presence thanks to the propaganda elicited by the type of activities it developed. Does it continue to be a small group?

[Allende] Your question implies an assertion that is not true. The MIR was not a small group.

[Jauregui] But it did not have any important representation in labor organizations such as the United Workers Confederation, a representation that other parties such as the Christian Democratic Party, the Communist Party, and the Socialist Party had.

[Allende] That is relatively true. At that time the Communist Party had been in existence more than 40 years, the Socialist Party some 25 years, and the Christian Democratic Party just as many years. In fact, the MIR came up from the ranks of the youth in the 1960's, and by 1973 it had already expanded to include peasants and the urban poor.

[Jauregui] Do you believe that you have gained more sympathy and support in recent years?

[Allende] It must be understood in the first place that the MIR, as the other political forces, lived in a democracy, bourgeois but democratic after all, a democracy that lasted through the government of the Popular Unity. Undoubtedly, the organization of the people and their struggle to seek redress for their grievances are facilitated under a democracy. The same is true for the monopolistic groups allied to the treacherous military officers who implanted the dictatorship in Chile in order to bar the just struggle the people were carrying on for their rights and social transformation. During these long years of dictatorship, we had to fight clandestinely under the most difficult conditions. The MIR has been fighting in Chile since 1973. It has been the most persecuted organization, the one that suffered the largest number of martyrs in the struggle for democracy, and it has not been destroyed. If an organization continues to exist after 11 years of clandestine struggle, under the most difficult conditions, it does so because it has support, and the MIR certainly has support. However, our presence is only minor within the most traditional labor movement.

[Jauregui] The most important sectors are seeking peaceful, consensus formulas to bring about changes, not violent formulas. To what extent does the MIR stand in the way of a more harmonious development by proclaiming the armed struggle to bring down the current government?

[Allende] I must make it clear that we do not want to bring down the dictatorship through violent means. We know what violence means because we have suffered murders, torture, and persecution. We want to see freedom recovered at the least possible cost to and sacrifice by our people. The dictatorship is forcing upon us the need to take up armed resistance.

PCCH SECRETARY ON SITUATION, PARTY'S POSITION

PY171757 Santiago EL MERCURIO in Spanish 11 Aug pp D 1, D 2

[Interview with Communist Party [PCCH] Secretary General Luis Corvalan granted to EL MERCURIO correspondent Rene Jauregui in Havana -- date not given]

[Text] [Jauregui] What do you think about the call for reconciliation that the Catholic Church has made?

[Corvalan] I do not believe that the word reconciliation is the most appropriate if the intention is to indicate that national unity is necessary to overcome the nightmare of terror that the country has been experiencing for such a long time. Perhaps it will be more suitable to talk about an understanding or a reencounter of all Chileans so as to leave behind a great deal of sorrow and pave the way for a broad democratic solution. The Catholic Church has played an outstanding role in this field and in this direction, and we believe all social and political organizations must do their best to attain this noble objective, putting aside egoistical, narrow-minded, and confusing attitudes. Thus, I have been surprised, to say the least, by the first meeting sponsored by Cardinal Fresno, attended by leaders of the Democratic Alliance and right-wing individuals. If any conclusion is to be drawn from the audience, it would seem to indicate that reconciliation means a compromise or an arrangement involving the political parties of the Democratic Alliance and a good portion of the right. This we can under no circumstances applaud or support.

[Jauregui] Reconciliation means making positions more flexible. Are you prepared to withdraw your demand for Pinochet's resignation as a condition for constructive political dialogue?

[Corvalan] General Pinochet's departure is a must for a national and democratic solution to the severe economic, political, and moral crisis of the country. Pinochet is the main obstacle to this solution. He is the bar that must be removed. I do not expect him to abdicate voluntarily but I believe that the power of the people and further developments of the crisis of the regime could, if not force him to resign, at least create the conditions capable of easing him out one way or another. We have been and continue to be against political dialogue with the current regime. Those who have engaged in this dialogue are now being forced into a compromise and made to play into Pinochet's hands. However, Pinochet's departure could give rise to conditions favorable to a truly constructive dialogue with representatives of the Armed Forces leading to a true democratic opening. We do not see this as the most probable development but we do not rule it out altogether.

[Jauregui] In your opinion, what are the ground rules for Chile's transition to democracy?

[Corvalan] There are many ground rules for the transition. The main one is social. In other words, it must be based on the people, their mobilization, their struggle, and their explicit realization that the future democratic regime must be the result of their will, that they must control it or at least have the broadest possible participation in it. Other ground rules of the transition are full respect for human rights, the struggle to eradicate fascism and to democratize all state components, first of all, the military institutions. Another important ground rule is an agreement among all the opposition forces that will satisfy the most burning needs of the people and implement the in-depth measures capable of rebuilding the economy. We are, of course, talking about the basis for a concerted transition. However, it could well happen that no agreement will be reached and the current regime could be toppled by a popular explosion. In this case, we would continuously follow principles such as popular mobilization, full respect for the people's sovereignty, the struggle to democratize the state, and the quest for understanding among all democratic forces.

[Jauregui] There are some doubts as to the Communist Party's democratic inclinations. What guarantees can you give that you will maintain democracy if you rise to power through some alliance or other?

[Corvalan] There have always been prejudices against the communists and it is quite probable that during this period they have gotten worse than ever. However, prejudices compel us to destroy false impressions and nothing else. In fact, we are not the ones who must supply guarantees that democracy will be maintained.

Our party, the workers, the people are the ones who should be assured that democracy will be maintained because they have been the victims, not the aggressors, in everything that concerns outrages against democracy and the authoritarian use of power. History speaks for itself. Our party has contributed in a valuable and decisive manner to the establishment and development of democracy as we knew it until 1973, especially in the field of social benefits, the rights of the workers, and the drawing up of political laws. Current facts speak for themselves as well. We are fighting on the front line in the battle for democracy and we want the most advanced democratic, pluralistic, and representative regime possible, capable of facilitating, not hampering social change and progress.

[Jauregui] The latest protests in Chile have been meaningless. The people are in favor of greater moderation in the quest for a democratic regime. This implies the isolation of the Chilean Communist Party. Do you believe that the Communist Party is standing alone?

[Corvalan] My view of the protests and the status of the Chilean Communist Party is completely different from yours. Naturally, the latest protests have not been as widespread as those in 1983 and 1984. Nevertheless, they are very important and meaningful. In any case they demonstrate the people's repudiation of the kidnappings, the throat-slitting, and other atrocities, as well as widespread displeasure over the freezing of salaries, wages, and pensions, and the price hikes. Furthermore, they prove that among the people there are strong and brave fighters who persist in paving the way for a social mobilization and do not lapse into the passivity and discouragement characteristic of the leaders of the center right-wing opposition. I believe that the example of the participants in the latest protests is a valuable contribution to the development of the approaching social mobilization. In sum, the protests should not be assessed by their size alone. In Chile, there are small and large protests everyday. The important thing is that the struggle must continue; one must not stagnate in a purely verbal opposition.

As for the alleged isolation of the Communist Party you speak of, there is no such thing. The party is standing side by side with the masses, which is the best company possible; it has staunch and strong allies in the Democratic and Popular Movement (MDP) and a wide spectrum of ties with all other political parties and groups of the opposition. Even if they do not share some important viewpoints with us, they are aware of our strength. Although some of them will maintain that we should be excluded, they reach agreements with us in certain specific fields and for given objectives. Such is the case in labor union affairs, student affairs, and many others.

[Jauregui] You advocate that all means are legitimate in the rise to power. How do you reconcile this stance with the democratic position you claim to uphold?

[Corvalan] The most democratic and urgent objective at this time is to end the present authoritarian regime. With this objective in mind all means capable of leading to the mobilization and expression of the will of the people are legitimate. Besides, being of popular extraction, they are essentially democratic. Thus, there is nothing we must reconcile with our standard democratic attitude.

[Jauregui] What ties does the Communist Party have with the Manuel Rodriguez Patriotic Front [FPMR]?

[Corvalan] The Communist Party is a political party and the FPMR is an organization with military discipline which seems to have combat means. Although it is not a political organization in the full sense of the word, we maintain with the FPMR a fraternal relationship based on a common cause.

[Jauregui] Do you believe that the dissident alliance which has been taking shape in Chile has some chance of success in its quest for stepping up the transition to democracy? The Communist Party is not part of this alliance, which is made up of groups ranging from socialists to right-wingers.

[Corvalan] An alliance, whose members range from socialists to right-wingers (or to be more precise from certain socialists to the right-wingers), is an incomplete dissident alliance incapable of bringing about a transition to democracy or even stepping it up as long as it acts separately from other opposition forces. In fact, this alliance has been operating for some time and has proven its inability. Even infants can understand that nowadays no factional alliance, no party or bloc of parties can bring about, by themselves, the type of social mobilization required to put an end to the current regime and lead the country to democracy. In the same way no party or small group of parties could cope successfully with the difficult situation of the country, which we will inherit from the dictatorship, a situation which is getting worse day by day. What we need is the unity of all Chileans who love democracy and social progress. Those who refuse to see this are taking on a great responsibility. Frankly speaking, those who maintain exclusionist positions are in fact helping the dictatorship to remain. It would seem that some people are afraid of the strength that would result from the struggle and unity of all the people, or else they do not dare to follow the path of unity and struggle, the path of understanding of all the opposition forces, because this displeases the [U.S.] Department of State and they believe that nothing can be done in Chile without the approval of the said Department of State. Those who feel this way also seem to be ready to delay the solution and wait for 1989. I believe that this behavior is openly immoral, aside from being quite naive and self-deluding. 1989 does not mean anything certain as far as the dictatorship's timetable is concerned; that year is merely another stopover to make sure that it can continue in power until at least 1997.

As for our party and other opposition forces, we see things differently. We believe that hunger cannot wait, that the unemployed cannot wait, that 80 or 90 percent of the Chileans want to put an end to dictatorship. Thus, we believe that power must change hands today, not tomorrow. This is possible, despite everything. The strength of the people is very great. Social mobilization is currently on the rise, moving into a new stage. The onslaught of the masses will reach and surpass the levels of 1983 and 1984. The groups that do not favor struggle and unity of all the people can be compelled to join this nonexclusionist movement, the only one capable of paving the way for a democratic victory.

[Jauregui's observations] As the conference on foreign debt was taking place in Havana, extremely significant developments were taking place in Chile. Judge Canovas released the results of his investigation, indicated two Carabineros, and forbade 17 others to leave the country. Chileans [in Havana] became even more concerned upon finding that communist militants were being arrested. Chileans were not the only ones with their eyes on the events in the southern cone. Fidel Castro himself showed up concerned at Corvalan's residence and asked for news and opinions. "They do senseless things," the leader of the Cuban revolution said. The conversation was very brief and he left.

[Jauregui] What is your opinion of Judge Canovas' investigation?

[Corvalan] The results of the investigation which Judge Canovas handled speak very highly for his honesty and also confirm the people's premonitions. They demonstrated that terror comes from inside the regime and that if we want to put an end to violence in the country we must first disband the repressive organization and then overthrow the regime itself and establish a democratic system that would respect human rights and deal out exemplary punishment for the savage actions enacted during these years, such as causing people to disappear, throat-slitting, raping of defenseless women, and torturing. It also shows the decay that is corroding the regime. I must add that I am sure that the people have been encouraged to continue their movement to clear up all criminal actions. The trial of the persons indicted can and must be a key development but it is not enough, nor is Mendoza's resignation enough. At this point no one can wash his hands.

[Jauregui] Certain sectors see these acts of violence as part of a "dirty war."
What do you think?

[Corvalan] Undoubtedly the actions which Judge Canovas investigated are violent acts that are part of the "dirty war." What war can be dirtier than that which has been waged against the people for 12 years, with the Armed Forces classifying the people as the mortal enemy, frequently participating in mass police operations and with their men being mad enough to perpetuate savage murders as was the case of Parada, Guerrero, and Nattino? This and much more has been done in the name of the national security doctrine imposed by the Pentagon. I imagine, and I hope that it is true, that many officers and soldiers understand that this situation cannot go on. At least the people have already reached this conclusion and are prepared to defend themselves if things remain as they are.

[Jauregui] What is your opinion of Chile's short- and medium-term future?

[Corvalan] In the short term things are not really clear enough. But in the short or medium term there will be signs of victory because the people will finally take it upon themselves to resolve the main problems, even if some of the political leaders of the opposition do not measure up. Pinochet's regime is exhausted and backed against the wall. Its collapse is inevitable and this will be the starting point for achieving, despite a thousand difficulties, the happy future that the people want and deserve.

[Jauregui] The Popular Unity administration created a social economic area which involved the expropriation of corporations. Has your attitude changed with regard to respecting private property?

[Corvalan] Let us take it step by step. We have always been and will continue to be in favor of private and family property, and we respect all productive or service-rendering enterprises which are owned by and employ members of the same family. This is valid even for the most advanced socialist societies. At the same time we advocate the coexistence of various types of property for a long phase of our development: that is, private property, workers property managed by themselves, cooperative property, joint property, and social property. This is speaking in general terms. Concretely speaking, it will be up to the country because we must objectively assess all the changes that have taken place during this period and from there decide what amendments must be made.

The in-depth changes carried out during the Popular Unity administration were fully in keeping with the country's needs. Some of them, such as the nationalization of the large mines, have become basic historical landmarks in the struggle for total national independence. The need to place under state control all large corporations and strategic services, banking included, because it actually operates with state capital, is still valid, if this were a necessity in the past, it is even more so now in the light of the current situation.

In order to make this country work, in order to rebuild the nation's economy, the democratic state that we must establish has to manage the large strategic corporations and the credit. As for agriculture, a closer study of the current situation is necessary. However, we could say that it would not be the case of reenacting the agrarian reform of the past, but it is obvious that a reform is necessary. Agro-industry cannot go on as it is now with its productive branches falling apart or unsure of their future, financial capital cannot continue profiting from the efforts of the agricultural sector, nor can a small minority continue enjoying the benefits of productive toil of thousands of peasants while keeping the rural masses deprived of every right, living in hamlets along the banks of rivers or on small suffocating plots of land.

[Jauregui's observations] The Communist Party secretary general is convinced that changes in Chile will not come as a result of Pinochet's resignation. "I do not believe that he will resign. He will have to be kicked out. He will be faced with a situation that will compel him to leave."

Corvalan feels that there is nothing worthwhile in the legacy which the current government will leave. Upon being asked which of the things accomplished over the years such as the labor reform or the social welfare reform he would maintain, Corvalan answered: "Nothing."

POLITICIANS REACT TO PASCAL, CORVALAN'S REMARKS

PY200113 Santiago EL MERCURIO in Spanish 12 Aug 85 p C 3

[Text] Representatives of various political leanings yesterday expressed opinions against terrorist actions and emphasized the need to bring together all sectors of the nation within the framework of reconciliation. Juan Hamilton, Jaime Guzman, Jorge Mario Quinzio, Tomas Puig, Maximiano Errazuriz, Gabriel Valdes, Hugo Zepeda, Julio Subercaseaux, and Ramon Silva Ulloa stated their viewpoints upon being asked by EL MERCURIO about the exclusive interviews which Andres Pascal Allende, leader of the Movement of the Revolutionary Left, MIR, and Luis Corvalan, secretary general of the Chilean Communist Party, PCLH, granted to EL MERCURIO in Havana.

Lawyer Jaime Guzman said Pascal Allende and Luis Corvalan's interviews "confirm that the violent approach, which communism has officially chosen for Chile, is not merely rhetorical but implies widespread destructive actions in Chile." Guzman added that "this must be emphasized because Marxism-Leninism's greatest victory would be to discredit any effective actions against its subversive and terrorist endeavor as being a violation of human rights."

Former Minister Juan Hamilton said the remarks of the MIR leader and those of the PCCH secretary general "have in common their reiteration of the call to and the justification for violence as the way to struggle against the dictatorship and to recover democracy." Hamilton indicated that the use of violence as a political tool is reprehensible in Chile nowadays because although armed struggle could lead to the ouster of the government, it might not achieve a stable democracy. He also remarked that "it does not seem possible for left-wing extremists to militarily defeat the Chilean Armed Forces." Therefore, "all they will accomplish is more destruction, sorrow, and death without attaining the proposed objective."

Jorge Mario Quinzio, president of the Social Democratic Movement, MAS, said his group is against any terrorist actions, adding that democracy will not be reinstated through the means advocated by Andres Pascal Allende. As for Luis Corvalan's interview, Quinzio pointed out that he shares Corvalan's ground rules for a transition because "the government must be chosen by the people, must respect human rights, must eradicate not only fascism but any other type of totalitarianism, and there must be a democratization of national institutions."

Tomas Puig, a member of the National Party political commission, said that from Andres Pascal Allende's remarks one can conclude that the MIR and the armed branch of the PC are largely responsible for the terrorist actions. "The hate and the crisis currently gripping us are so severe that either we all get together and overcome them or no one will do so. This is valid for all major problems, be they political, educational, economic, or any other kind," he said. He stated that "all this means that there must be an immediate reconciliation of both democratic sectors of the government and the opposition. The two must each acknowledge their share of responsibility for the current situation." As for Luis Corvalan's proposals, Puig emphasized that "the National Party believes that no one should be persecuted for his ideas, and in this regard we are willing to accept any political party as long as it refrains from violent or illegal means in the quest for its objectives."

Maximiano Errazuriz, a representative of the Independent Democratic Union (UDI) said that in his opinion Pascal Allende and Corvalan's interviews "cast a light" on the source of violence in Chile. He explained that "this proves that terrorism does not come from inside the government, as many have claimed, but from sectors represented by Allende and Corvalan."

Former Foreign Minister Gabriel Valdes described Pascal Allende's attitude as that of "someone who tries with insane irresponsibility to direct violent actions in Chile from abroad." After harshly criticizing the position of the MIR leader, Valdes said Pascal Allende's attitude, which "goes against everything we have been trying to do, that is, attain a reasonable political solution," is "absolutely irresponsible." He concluded by saying that both the extreme right and the extreme left are trying to take advantage of each other in order to give rise in Chile "to conditions favorable to the radicalization of positions, thus thwarting the possibility of a political solution such as the one we are seeking, civilized, peaceful and honorable, to a crisis that no one disputes any longer, a crisis which has completely exhausted the government."

Hugo Zepeda, president of the so-called Democratic Federation, remarked that it would be difficult for those living outside the country, "regardless of the amount of information they may have available, to know Chile's status quo in depth. This explains Luis Corvalan's mistaken views and opinions, which are quite different from those voiced in Santiago by communist leaders." He added: "I doubt very much that local communist leaders have used words like 'compromise' or 'arrangement' as Corvalan did when speaking about a recent meeting that Cardinal Fresno sponsored with the opposition." Zepeda went on to say that he also noticed that Corvalan opposes any political dialogue with the current regime. "Although the opposition is skeptical about the results of a dialogue of this kind, it does not oppose its resumption as long as we see that there is an honest desire for it to be positive."

Julio Subercaseaux, a representative of the Republican Right, indicated that "obviously, I cannot agree to any extent at all with the indiscriminate attack that Luis Corvalan launched against the center right sector of the opposition. He is being unrealistic by failing to realize the urgent need to bring the dissidents together in order to bring about the end of the current regime." As for Pascal Allende's interview, Subercaseaux said: "No comment. We operate at different levels. We deal in politics while his field of action is guerrilla warfare."

Popular Socialist Union (USOPO) leader Ramon Silva Ulloa remarked that "the two interviews complement each other and they neither contribute to nor encourage the efforts of those of us who are looking for a rational path toward democracy." He stated: "The peaceful approach is possible only if one has the courage to keep trying without surrendering, but in a self-sacrificing manner and personally facing the risks such an approach entails."

THREE BOMBS EXPLODE IN SANTIAGO; NO CASUALTIES

PY200343 Paris AFP in Spanish 0319 GMT 20 Aug 85

[Text] Santiago, 19 Aug (AFP) -- Police sources have reported that three bomb attacks took place tonight in several Santiago neighborhoods. There have been no reports of casualties. One of the attacks was against the Carabineros NCO's. The first explosion was felt at 2232 and it affected a Carabineros building, the second such attack in less than 10 days, according to members of the 18th Precinct. The second explosion was heard 10 minutes later and it affected another police building, but it only caused minor damage, according to initial reports. The third bomb, thought to be very powerful, exploded at 2245 in front of a station of the metropolitan railway near the Chilean Air Force Monument in Providencia District.

DEMONSTRATORS LOOT STORES, SET FIRES IN ARICA

PY170235 Radio Chilena in Spanish 2230 GMT 16 Aug 85

[Report from the First Region]

[Text] Violent incidents took place in Arica last night around 2200 when groups of demonstrators built barricades and damaged an electrical line, thus causing power outages in many parts of the city.

The most serious incidents took place on Tucapel Street when, in the midst of the darkness affecting the area, groups of demonstrators took advantage of the situation to loot three stores. The looted stores were a hardware shop, La Portena, at 2204 Tucapel Street that belongs to Juan Menendez; a printing shop, La Tribuna, that belongs to Pablo Cordejo at 2206 Tucapel Street; and a shoeshop that belongs to Angel Caceres at 2208 Tucapel Street. The demonstrators set fire to the shoeshop, thus calling for the intervention of firemen. The demonstrators responded to the arrival of the water cannons with a violent shower of stones. The stones wounded Oscar Rojas and damaged the first truck of the 5th firemen's squad of this city. Carabineros intervention was required. The members of this force used tear gas to disperse the people who were hindering the firemen's actions. Fortunately the firemen were able to put out the fire in the stores. The owners have not yet evaluated the resulting damage.

Other demonstrations to protest the increase in the price of fuel were staged in other towns. This fuel price hike seriously affects this northern area since most foodstuff and raw materials have to be transported from the south. The increase of freight rates will cause a new price increase on most products.

The Carabinero headquarters has not released any information on the arrested persons but it has informed the media that the chief of the state of emergency zone will issue an official report on the incidents within the next few hours.

STUDENTS 'PEACEFULLY' OCCUPY VENEZUELAN EMBASSY

PY170203 Paris AFP in Spanish 0139 GMT 17 Aug 85

[Text] Santiago, 16 Aug (AFP) -- Three students of the Catholic University of Santiago today peacefully occupied the Venezuelan Embassy to request that the Venezuelan authorities mediate with the Chilean military government to obtain the release of several university students.

The students, who entered the embassy shortly before noon, were still there tonight, leaders of the Federation of Catholic University Students (FEUC) said. The report was not confirmed, however, by Venezuelan Embassy sources.

In a communique, the occupiers demanded the release of Maria Ahumada, who was banished to Melinda Island, 1,500 km south of Santiago, and of other students detained during recent demonstrations against the government of General Augusto Pinochet.

FEUC leaders said they contacted Venezuelan Ambassador Hector Vargas to make sure the occupiers would be allowed to leave the embassy safely.

PDC ELECTS PRESIDENTIAL CANDIDATE 18 AUGUST

PA181544 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 19 Aug 85

[Text] Manizales -- Antioquia's Fernando Londono Ochoa, a 41-year-old attorney and businessman, became the third presidential candidate last night when he was nominated here by a broad majority during an assembly of the Christian Democratic Party [PDC]. Londono Ochoa obtained the support of 105 delegates while his only opponent, Luis Enrique Agudelo Pino, received only 63 votes.

During the convention, the PDC decided to nominate a presidential candidate of its own for next year's elections rather than support a national candidacy as was the case during the past election, when the Christian Democrats supported incumbent President Belisario Betancur.

GUERRILLA GROUPS CALL FOR UNITY AMONG RANKS

PA190342 Madrid EFE in Spanish 0059 GMT 19 Aug 85

[Text] Bogota, 18 Aug (EFE) -- Six guerrilla groups, including the 19 April Movement (M-19) and the Popular Liberation Army (EPL), today requested that the Revolutionary Armed Forces of Colombia (FARC) reach a truce with the dissident Ricardo Franco Front.

In a message addressed to the FARC, the leaders of the rebel groups said that bullets will never solve the conflicts among the guerrilla groups; the conflicts will only worsen.

The Ricardo Franco Front resulted from a split within the FARC in 1984, after a truce was signed with the government on 29 March. At that time it was announced that the superior command of the most important group of the Colombian guerrillas was disbanded and that this group would now engage in legal political activity with the Patriotic Union, founded April 1984.

The letter also suggests that a high-level meeting be held of the superior commands of the guerrilla groups, including the groups not involved in the peace process of President Belisario Betancur.

The letter addressed to the FARC superior command adds: let there be no more bullets from a guerrilla rifle against a fighter of the people. Let there be no more dead among the revolutionaries.

The document is signed by, among others: Alvaro Fayad (M-19) and Ernesto Rojas (EPL), members of the Quintin Lame Indian Commando; Free Fatherland; and the Revolutionary Workers Party (PRT).

BRIEFS

AMBASSADOR TO SWITZERLAND -- Foreign Minister Augusto Ramirez Ocampo has sworn in Alfonso Fidalgo as the new Colombian ambassador to Switzerland during a ceremony at San Carlos Palace. [Text] [Bogota EL TIEMPO in Spanish 10 Aug 85 p 11 PA]

FEBRES CORDERO ON CONGRESSIONAL ROLE, DEBT

PA172133 Quito Voz de los Andes in Spanish 1230 GMT 17 Aug 85

[Text] Ecuadoran President Leon Febres Cordero has said in Guayaquil that he is not worried about political charges against some of his cabinet members, because none of them has violated the law or been involved in illegal activities. Febres Cordero noted that the Constitution authorizes the summoning of a minister of state to a political trial, but stressed that it can only be done when the law has been violated. He added: Since this is not so, I am not worried at all. Febres Cordero said that he views the National Congress, which began its session on 10 August, as all Ecuadorans do. In other words, he pointed out, I am optimistic that the legislative branch will fulfill its role in order to strengthen the actions of the executive branch within constitutional norms and enact the laws the country desperately needs. Febres Cordero denied that a power struggle has ended, stating that it never existed. He said: The conflict was generated by those who wanted to govern the country from the Congress, in violation of the Constitution. However, now that this group no longer has a majority in Congress, I trust that the government branches will act in accordance with the desires of the Ecuadoran people, with the Constitution, and with the country's interests. He also expressed his hopes that the new legislative commissions will fulfill their duties. I believe that there is a balance of power, except for the extremist positions, he said. Regarding the renegotiation of the Ecuadoran foreign debt announced last Wednesday, he said that this action will silence skeptical and ill-intentioned persons, adding that the \$200 million will enable Ecuador to normalize its balance of payments and get caught up on its payments. He stressed that the money was received prior to the signing of the documents, which will take place in September. This confirms that private international financial institutions [3-second break in transmission] and have faith in the economic restructuring plans that are under way.

DEFENSE MINISTER DENIES PRESENCE OF GUERRILLAS

PA172146 Quito Radio Quito in Spanish 2300 GMT 16 Aug 85

[Text] Defense Minister General Luis Pineiros has asserted that in Ecuador there are no guerrillas but armed groups of a terrorist tendency which have devoted themselves to holding up banks and committing other criminal acts. Regarding the latest developments in the kidnapping of (Lain Isaias Barquet), (?former) secretary of state, Pineiros said that this is an example of the connection between the Colombian 19 April Movement [M-19] and the Alfaro Lives subversive group. When questioned about the recovery of Ecuadoran weapons at Ipiales, Pineiros denied that the weapons were from Ecuador or of the quantity that was reported.

[Begin recording] [Pineiros] This has allowed us to positively establish the relationship between the M-19 and the armed bands in our country.

[Question indistinct]

[Pineiros] Pardon me, but I must tell you that the Alfaro Lives group has several cells and that within or without those cells there are other armed bands. I cannot say who they are or identify them, but I must say that there are armed bands that are robbing banks and engaging in terrorist actions. We are trying to identify these armed [word indistinct] (?to prevent) them from leaving the country. According to the information we have, these are isolated armed bands. The armed band captured in Guayaquil during a raid is an example. It was not really a guerrilla group. Therefore, there are no guerrillas in our country. There are bands of armed criminals who are supported by drug traffickers. [end recording]

WAGNER REFUSES COMMENT ON U.S. MARINES' PRESENCE

PY191510 Lima Radio del Pacifico in Spanish 1300 GMT 19 Aug 85

[Text] Peruvian Foreign Minister Allan Wagner yesterday refrained from making any statements on whether there are U.S. Marines training in the jungle with Peruvian Air Force personnel. I cannot make any comments on something about which I have no information; you should ask the Armed Forces whether there are any marines, the minister said.

Wagner made these comments at the Jorge Chavez International Airport, where he went to receive Venezuelan Finance Minister [title as heard] Hector Hurtado who arrived here for an official 4-day visit. Wagner also reported that in a few more days he will go to Cartagena, Colombia, to participate in the Contadora Group meeting that will be held from 23 to 25 August.

MINISTER REPORTS ON FISHING AGREEMENT WITH USSR

PY192015 Lima EL COMERCIO in Spanish 31 Jul 85 p A 1

[Text] New Fisheries Minister Jose Palomino Roedel yesterday reported that the fishing agreement with the Soviet Union will continue as long as Peru can catch enough fish to meet the demands of the domestic market.

He added, however, that government-to-government agreements will be signed without the participation of intermediaries. The first contacts with the Soviet Government have been established and Soviet officials have shown interest.

After taking over the ministry from his predecessor, Ismael Benavides, Palomino pointed out that the Fisheries Ministry will also start talks with other governments which are interested in trawler fishing in Peru. His ministry is also willing to expand the fleet dedicated to fishing for direct consumption by the population by putting into operation, through investments of entirely national capital, the half-finished vessels of the Pisca and Pepesca enterprises. The operation of this fleet will enable Peru to fish beyond the 30-mile limit, where vessels cannot go, and inside where the fishing is poor.

ARGENTINA TO FINANCE AIR FORCE BASE AT COLLIQUE

PY160317 Paris AFP in Spanish 0101 GMT 16 Aug 85

[Text] Lima, 15 Aug (AFP) -- Government sources today confirmed that Argentina will grant a \$20-million loan to the Peruvian Air Force for the construction of a military complex at Collique, located approximately 20 km north of this capital. The line of credit was opened by the Argentine Central Bank and it will be channeled to the Aeronautics Industry Public Enterprise (Indaer) through the local Financial Development Corporation (Cofide).

The sources have also reported that Indaer, which has a project for assembling the Italian Macchi fighter planes, manufactures materiel for the Air Force. One of its current projects is the production of conventional 57-mm bullets. The sources also reported that the Peruvian Government has authorized the Aeronautics Ministry to accept the loan, which is payable over 10 years, with a 2-year grace period and an annual interest of 7.5 percent.

GARCIA ORDERS HALT TO HIRING OF PUBLIC EMPLOYEES

PY191548 Lima Cadena Panamericana Television in Spanish 0130 GMT 19 Aug 85

[Excerpt] Keeping his promises, President Alan Garcia has ordered the government administration not to hire any more employees. He has also set a 15-million-sole limit for the highest salary to be paid to a public employee, and he has requested that the opening hours of banks, services, and public administration be extended. These measures have been adopted within the framework of the austerity and reactivation program that has been approved by the creditor banks of Peru.

INTERIOR MINISTER DISCUSSES DRUG WAR COOPERATION

PY192244 Lima Cadena Panamericana Television in Spanish 0130 GMT 19 Aug 85

[Interview with Interior Minister Abel Salinas in his office in Lima by unidentified reporter on 18 August]

[Excerpts] [Reporter] We know that the government struck a blow against international drug trafficking this week. How was the "Condor Operation" prepared? Is it true that the U.S. Drug Enforcement Administration provide information and pictures beforehand? And is it true that the helicopters used during the operation were Colombian?

[Salinas] The country and the citizens know and feel that drug trafficking is an evil thing that harms Peruvian society. The Peruvian police collected enough evidence beforehand, which permitted them to prepare this important operation. The only thing we did was make the decision to order them to carry out the operation in the shortest time possible. Peru signed an agreement with Colombia a long time ago, so our police forces work in a coordinated manner. On this occasion, we received the collaboration of Colombia, which also fights firmly against drug trafficking.

[Reporter] Were the helicopters used in the operation Colombian?

[Salinas] Yes, they were Colombian, they acted within the framework of the Peruvian-Colombian agreement I just told you about.

[Reporter] Does this mean there is a need to re-equip our police forces? Couldn't the confiscated airplanes become part of the police airfleet?

[Salinas] Sure. Yes, the need to properly reequip and modernize is envisaged in our reorganization plan. They certainly need aircraft to combat not only drug trafficking, but also any sort of crime.

[Reporter] Can the small airplanes confiscated during the "Condor Operation" become part of this airfleet.

[Reporter] It has been established that the U.S. aid to fight drug trafficking is insufficient. Do you think that their aid will increase after this recent success? Has this possibility been talked about with the U.S. congressmen that visited our country recently?

[Salinas] We are sure it will. The U.S. Government, Mr Reagan and his wife, cannot be unaware of the blow we have struck against the drug traffickers in the jungle, which actually, is meant to protect U.S. youth, since the drugs produced there were being sent to the United States.

[Reporter] Let's change the subject and talk about terrorism. What do you think of the position of the Tupac Amaru Revolutionary Movement [MRTA], which has been stated in a communique and a press conference? Do you believe it is possible to establish a dialogue with groups like this one?

[Salinas] I believe the MRTA perceives that Alan Garcia's government is truly dedicated to carrying out the deep social changes that are so badly needed in Peru by the people to attain general welfare and social justice. Therefore, the MRTA statement more or less supports the task undertaken by the government in its first 20 days. The president was very clear in his address to Congress: He proposed and promised to create a (?peace) committee. So this task would probably be better dealt with this (?peace) committee.

37 GENERALS RETIRED IN POLICE REORGANIZATION

Interior Minister Comments

PY200330 Paris AFP in Spanish 0150 GMT 20 Aug 85

[Text] Lima, 19 Aug (AFP) -- Peruvian Interior Minister Abel Salinas tonight announced that 37 Peruvian police generals have been retired within the framework of the process of reorganization of the police forces. Of these 37 generals, 21 belong to the Civil Guard (uniformed police) and 16 to the Peruvian Investigative Police [PIP] (plainclothesmen), Salinas reported during a press conference at Government House at the end of a cabinet meeting. The minister explained that the retirement of the 37 high-ranking officers does not mean that they have committed any crimes. The Civil Guard had 43 generals and the PIP had 53 generals. He added that if the investigations show that some of them are involved, it will be up to the courts to punish them.

The dismissals took place within the framework of a drastic reorganization of police forces which the new Peruvian administration has launched in the wake of charges of alleged immorality and corruption among high-ranking officers, charges that include involvement in drug trafficking.

Minister Salinas also announced that the government has accepted the resignation of Lieutenant General Jual Valdivia Fuentes as director general of the Civil Guard and replaced him with General Raul Pareja Gutierrez. On the other hand, the government confirmed General Manuel Munoz Malaver as director general of the PIP. For the time being, Peru's third police force, the Republican Guard, has not been affected by the reorganization. Its commanding echelon is made up of 12 generals.

PIP Intelligence Head Replaced

PY161248 Lima Radio del Pacifico in Spanish 1300 GMT 14 AUG 85

[Text] General Eulogio Velarde Argollo of the Peruvian Investigative Police [PIP] was installed yesterday as head of the PIP Intelligence Directorate, replacing General Damian Salas Reynoso. This is the fourth change of high-level leadership in this institution since the discovery that some PIP chiefs had links to drug trafficking. Police sources said the success of police investigations and of efforts to clean up corruption in the PIP will depend on the work carried out by the PIP Intelligence Directorate.

BILATERAL AGREEMENTS SIGNED WITH BRAZIL

PY191535 Paris AFP in Spanish 1530 GMT 14 Aug 85

[Text] Montevideo, 14 Aug (AFP) -- The presidents of Brazil and Uruguay today signed 13 bilateral cooperation agreements in the areas of communications, industry, science, technology, culture, trade, and border affairs. The agreements were signed by Presidents Jose Sarney and Julio Sanguinetti at Government House just before the Brazilian president concluded a 50-hour visit to Montevideo that began on 12 August.

One of the agreements creates the Brazilian-Uruguayan General Coordination Commission, which will be headed by the foreign ministers of each country. The document signed by Sanguinetti and Sarney provides that the commission will have the purpose of strengthening cooperation between the two countries, analyzing matters of common interest, and proposing measures to the two governments. Another agreement establishes a cooperation program for radio and television with the exchange of information, experience, technicians, training of personnel, and the preparation of radio and television programs. The two presidents also decided to make a special effort to exploit the water resources of the Yaguaron River, which separates the two countries, for various projects to develop the Laguna Merin Basin.

Brazil decided to grant a quota of 20,000 tons for beef imports from Uruguay under the "drawback" [preceding word in English] system for industrialization and reexportation by the Brazilian industry. Brazilian Agriculture Minister Pedro Simon said that this year his country will purchase 38,500 tons of rice from Uruguay, but that in the future Brazil promises to purchase any amount of rice it may need.

WORKERS' ACTIONS PROMPT RAILROAD SHUTDOWN

PY172355 Paris AFP in Spanish 1454 GMT 17 Aug 85

[Text] Montevideo, 17 Aug (AFP) -- The Uruguayan Government decided to discontinue all railroad services when the employees of the State Railways Administration [AFE] resolved to take control of passenger trains to press for salary hikes, according to information released in Montevideo today. The government made this decision in the light of a conflict that started last week between AFE management and workers.

Yesterday, the railway workers occupied the Montevideo central station and, after holding a meeting, decided to suspend all freight services but to continue the operation of passenger trains under the control of the workers. In keeping with this decision a convoy carrying 125 passengers left Montevideo this afternoon under workers' control but was intercepted and the passengers ejected by the police approximately half way to its destination, that is, 125 km north of the capital.

Hugo Fernandez Faingold, Uruguayan minister of labor and social security, said that this is not a simple strike because some trains departed against the instruction of the AFE's management and he made it clear that this would not be tolerated.

Last night, units of Grenadiers' Guards (police assault forces) cleared the metropolitan central station without any incidents.

Juan Berchesi, chairman of the AFE, indicated that the executive board of the enterprise is prepared to talk with the workers and stated that if they submit a serious and responsible proposal the services will be resumed immediately. Meanwhile, Congress today decided to intervene in the conflict to see if it could mediate between the government and the workers.

CUBAN DELEGATION ARRIVES FOR ENERGY TALKS

FL191900 Mexico City NOTIMEX in Spanish 2304 GMT 17 Aug 85

[Text] Mexico City, 17 Aug (NOTIMEX) -- A Cuban delegation arrived today in Mexico City to complement a technological exchange agreement signed 6 months ago when Francisco Labastida Ochoa, Mexican energy, mines, and parastatal industry secretary, visited Cuba.

During their stay, the energy group will meet with Mexican technicians in the Celaya thermoelectric plant where, during the next 2 weeks, they will exchange experiences and learn of Mexico's achievements in the generation of energy.

The thermoelectric plant is part of the installations of the Federal Electricity Commission, CFE, and courses are taught in the generation of electrical energy through the center's school in Celaya.

In an interview, Luis Carlos Hernandez Ayala, member of the CFE Public Relations Commission, who met the Cuban delegation at the Mexico City airport, said the Celaya center's school is the only institution to share experiences in this area.

He also said Mexico has a sufficient energy capacity to meet the needs of the country. In this regard, the Mexican republic generates an average of 18 million kilowatts.

FINANCE SECRETARIAT ANNOUNCES EXPENDITURE CUTS

PA191702 Mexico City XEW Television in Spanish 1300 GMT 19 Aug 85

[Text] The federal government continues to make adjustments. The Secretariat of Finance and Public Credit has reported on adjustments made by that institution in keeping with cuts on federal government public expenditures ordered by President Miguel de la Madrid.

The Secretariat reported a 6.386 billion peso cut in its authorized 1985 budget and the dismissal of 783 trusted employees. Its labor force now stands at 49,596, 92 percent of which are lower-ranking employees.

It added that it is implementing other internal measures to rationalize expenditures, including a reduction of rented buildings, photocopy equipment, and other rented equipment. There are cuts in daily expense allowances as well.

With this restructure, the Subsecretariat for Fiscal Inspection, 15 general directorates, 22 directorates, 50 area subdirectorates, 155 department headquarters, and 431 administrative and support organizations were eliminated.

The remaining personnel's rights will be fully respected, those working in disbanded organizations will be relocated, and the dismissed trusted personnel will receive 3 months compensatory pay.

In the next few days the Secretariat will reveal rationalization measures to be applied on the nationalized and development banking sector and in the remaining areas that work in coordination with the Secretariat.

BISHOP RALLIES ON BEHALF OF MISSING PEOPLE

PA182334 Paris AFP in Spanish 1853 GMT 18 Aug 85

[Text] Mexico, 18 Aug (AFP) -- The existence in Mexico of missing political figures "distressingly contradicts the nation's foreign policy in defense of nonintervention and the right to asylum," affirmed Mexican Bishop Samuel Ruiz during a mass dedicated to over 500 persons whose whereabouts are unknown.

Invited by the National Front Against Repression in Mexico, the bishop of the San Cristobal Las Casas diocese in the State of Chiapas explained: "We do not use religion as a political activity. As Christians we strive for justice for the forsaken."

At a church in the Mexican capital, Msgr Ruiz pointed out in a homily: "The struggle of these parents is the struggle of God," He read the names of 514 people missing in the country for political reasons since 1979, and described them as "martyrs of injustice."

The bishop carries out his mission in one of Mexico's poorest regions, where part of the Guatemalan refugees living in this country are located. The prelate described as "incomprehensible" the fact that in Mexico, "those who defend their ideology should be repressed."

Msgr Ruiz was invited to celebrate mass "in view of his solidarity with the movement," according to the president of the front, Rosario Ibarra de Piedra, just elected deputy, who has a child among the missing persons.

TIJUANA COCAINE SEIZURE LARGEST TO DATE

PA182306 Mexico City XHDF Television Network in Spanish 0300 GMT 18 Aug 85

[Humberto Mares Navarro report]

[Text] Today in Tijuana, Baja California State, the Federal Judicial Police confiscated 600 kg of pure cocaine with an estimated value of \$190 million on the black market. This is the largest cocaine shipment ever seized in the history of Mexico's war against drug trafficking.

Jaime Torres Espinosa, representative of the Attorney General's Office in Baja California State, reported that the investigation on this contraband began 5 months ago. The drug was shipped in a secret compartment of a moving truck. Police intercepted the truck on the highway from Tecate to Tijuana. The drug, which was to be smuggled into the United States, came from Costa Rica. To date, four persons are under arrest, but their names were not disclosed. Other persons were also arrested in Guerrero, Oaxaca, Puebla, Yucatan, Veracruz, Sonora, and Chihuahua States.

Moreover, during 5 days of operations, the Mexican Army destroyed 284 marijuana plantations and 36 poppy plantations in Sinaloa State. The Secretariat of National Defense stated that Operation Mangosta, simultaneously implemented by several military zones, has produced satisfactory results.

ARDITO BARLETTA ON ECONOMY, NORIEGA REMARKS

PA191643 Panama City LA REPUBLICA in Spanish 18 Aug 85 p 19 A

[By Demetrio Olaciregui]

[Text] President Nicolas Ardito Barletta held a press conference after delivering a strong speech before thousands of sympathizers in Sabanagrande, Los Santos Province. He said: "It is time to act with honesty and to admit that the country belongs to all of us. We are going to work and solve our problems. We have presented a simple agenda to the country, because we cannot fool ourselves. We have inherited a very serious fiscal situation and unemployment problems."

In his dialogue with journalists, President Ardito Barletta stressed that "if the country has credibility problems, it is time for us to act with conscientiousness and leave the past behind. The problems affect us all. It is not the president but the country that is facing difficulties."

Debate and Negotiation

President Ardito Barletta advocated debate, negotiation, agreements, and not solutions through street riots. "Our reply has been that each group must defend its achievements and seek to expand them, but in some case these achievements must be flexible, for the benefit of the nation," he said.

Agrees With "Alert Call"

At the same time President Ardito Barletta said that he agrees with the alert call made by General Manuel Antonio Noriega, who said that the country is in a state of anarchy and licentiousness, and disclosed that the peace efforts in Central America were discussed after consulting the presidents in the area. [sentence as published] "I share Gen Noriega's alert call," Ardito Barletta told the journalists. He added: "There are agents who threaten democracy. They are Panamanians who do not practice it and who believe that freedom means anarchy. Therefore, we must keep in mind that licentiousness cannot be permitted, that we must defend freedom with responsibility, and that democracy is something we must think about, feel, and experience."

Gen Noriega: Respectful of Democratic Institutions

In addition, President Ardito Barletta said that "Gen Noriega is respectful of the democratic institutions. We are both aware of our responsibility of strengthening democracy in our country, of maintaining national security, restoring the economy, and maintaining our peace."

Dialogue Permits Solutions

Asked if he saw any difference between the concepts of the Defense Forces and those of the Democratic Revolutionary Party (PRD) on how to govern the country, President Ardito Barletta said that two parties do not think alike. "That is what enriches the nation and gives us the opportunity to find solutions. It is a matter of not clinging capriciously to our own ideas, but of listening to each other. If we listen, we can talk, and by talking we can negotiate; by negotiating we can reach an agreement and find the best solution," he noted.

"Anarchist Minorities"

Regarding the sectors promoting social anarchy, the president said that they are minority groups that do not realize that the country is facing difficulties, and that insist on defending their accomplishments sometimes at the expense of the whole nation. Regarding the letter of intent, President Ardito Barletta said that there are some areas, such as policy regarding the industrial sector, where there are real differences that will require flexibility.

"I Feel Optimistic"

We are conducting serious and honest consultations with industrialists, and I am optimistic that we will reach an agreement," President Ardito Barletta said. He added that he will appoint a commission that together with the government team will review the points agreed upon with the World Bank in the letter of intent. Ardito Barletta insisted on the need to preserve and maintain the national dialogue so that the sectors that have objections can express them, in order to arrive at an agreement and draft a new letter of intent. "I have a team drafting important aspects of the agreements with the ideas gathered from the various sectors, which will return to Washington to present a new letter of intent," he said.

To Work Well and Rapidly

"We must work well and rapidly because the various groups want to complete the financial program, to eliminate uncertainties, and then to start off with confidence. Otherwise, the alternatives would be worse for Panamanians," Ardito Barletta said. "What's important is to be kept well-informed," he added.

President Ardito Barletta then mentioned some of Panama's accomplishments, such as renegotiating part of its foreign debt for 2 years, approving a realistic budget, implementing a 2-year financial program that has won international credibility, and the agreements with the IMF that made it possible to refinance the foreign debt with international private banks.

Negotiations Must Continue

What we need now is an agreement with the World Bank regarding the letter of intent. "The letter of intent is not the Bible; an agreement can be reached, other commitments are flexible, we must continue negotiating," Ardito Barletta noted.

Act of Faith

President Ardito Barletta said that Panama is the only country in America that has been able to place \$20 million in bonds in the United States and Japan during the past 3 years, which shows faith in the country's economic programs.

Regarding the call for a summit of Latin American presidents proposed by Peruvian President Alan Garcia at the end of July, Ardito Barletta said that the action is "positive and a great opportunity for Latin America."

"The meeting depends on the decision of the Latin American presidents. We Panamanians are willing to offer our country as the site for the summit. We are now conducting informal consultations to determine if the atmosphere is good for the meeting and to obtain the successful results awaited by the Latin American peoples," Ardito Barletta stressed.

COSTA RICAGUTIERREZ HOPES FOR CHANGE IN NICARAGUAN POLICY

PA192016 San Jose Radio Impacto in Spanish 1830 GMT 19 Aug 85

[Text] The Costa Rican Government trusts that this time Nicaragua will adopt an attitude that will eliminate the ambiguities that have characterized its policies regarding our country. This was stated by the Foreign Minister [Carlos Jose Gutierrez] in part of his communique sent to the Nicaraguan foreign minister in response to a note sent to our country last 7 August. Meanwhile, Gutierrez discarded Nicaraguan leader Sergio Ramirez Mercado's words on Nicaragua's desire to normalize relations with Costa Rica, but hopes that these statements will be fulfilled.

EEC REPRESENTATIVE DENIES REMARK ON U.S. POLICY

PA172310 San Jose Radio Impacto in Spanish 1830 GMT 17 Aug 85

[Text] Luigi Boselli, EEC ambassador for Central America, has said that the participation of the United States is essential to solve the problems in Central America. In this way, Boselli denied an international report that indicated that he had said that the EEC was against the U.S. policy in the area. The news report also said that Boselli believes that the United States is setting Honduras and Costa Rica against Nicaragua. Regarding this, the EEC representative said that he had not made such a statement and that despite some differences, the EEC is an ally of the United States. Luigi Boselli reiterated that without the United States, it would be impossible to achieve a solution to the Central American problems.

LARGE ARMS TRAFFICKING GROUP DISCOVERED, ARRESTED

PA192234 San Jose Radio Impacto in Spanish 1830 GMT 19 Aug 85

[Text] The Rural Guard reported that the largest arms trafficking group at the Central American level has been discovered. The band was arrested in Guanacaste, at the entrance to the Santa Rosa National Park. Two men, Costa Rican nationals were also arrested there. In addition, an arrest warrant has been issued for 50 others who are involved in this activity but who were not in Guanacaste at the time of the arrest. Part of the group is comprised of the band's contacts for smuggling the weapons in and out of the country. The Rural Guard patrol that carried out this operation over the weekend confiscated a vehicle in which the war materiel and large-caliber weapons were transported. The confiscated materiel is being kept at the Rural Guard's headquarters. The two arrested men confessed and revealed the procedures used to smuggle the weapons, particularly into Nicaragua, even though they were also exported to other countries. Costa Rica was being used as a bridge for arms trafficking so the pertinent investigations will be carried out in order to locate the main culprits.

EL SALVADORD'AUBUISSON ON PLANS TO REOPEN ROMERO CASE

PA172244 San Salvador EL DIARIO DE HOY in Spanish 17 Aug 85 pp 2, 19

[Text] Major Roberto D'Aubuisson said yesterday at the Legislative Assembly:

"The prosecutor's request to reopen the case of Msgr Romero is the result of a political commitment of the Christian Democratic Party [PDC], which has always said that it will impart justice and investigate all of these major cases. Duarte has made political capital out of all this." D'Aubuisson noted that it would be worthwhile to remind the PDC and the entire nation that Msgr Romero was killed during the tenure of the Christian Democratic junta. "However, during the time they were in power -- all of 1980, 1981, and part of 1982 -- they did not do anything to solve the murder, even though they had all of the state's investigation resources in their hands."

I think, D'Aubuisson said, that these belated propaganda actions are obviously politically inspired but they are also improvised. They boomerang in the long run on their creators, that is, the people who cunningly try to take advantage of a show. They are spitting in the wind.

D'Aubuisson recalled that yesterday Radio Venceremos hurled accusations at Duarte, telling him not to hide anything or use Monsignor Romero's death for political purposes because he knows well who, why, and how the prelate was killed. "The same station threatened Duarte with revealing the truth," D'Aubuisson said.

FMLN REPORTS ARMY CASUALTIES ON NORTHERN HIGHWAY

PA192020 (Clandestine) Radio Venceremos in Spanish to El Salvador 1841 GMT 19 Aug 85

[Text] Attention, Radio Venceremos will now report on important battles on the Northern Trunk Highway that ended just moments ago. Attention: Since early this morning, FMLN guerrilla units attacked Ochoa Perez' troops of the 4th Infantry Brigade. FMLN units today attacked troops of the (Asmitia) and (Cayaguanca) Battalions. Attention, we have inflicted 40 casualties this morning in battles on the Northern Trunk Highway that is under the control of our guerrilla units at this time. We inflicted 40 casualties in 5 hours of fighting this morning.

Attention, at 1243 we received the following from heroic and invincible Chalatenango. Attention, in the battles that FMLN units have waged against the (Asmitia) Battalion on the Northern Trunk Highway near Tejutla we inflicted three casualties. Those forces had the support of the Treasury Police and Air Force units.

Attention, close attention: At 1243 Radio Venceremos received more reports from Chalatenango. Battles began at 0600 on the Northern Trunk Highway between El Barrancon and El Jardin in northern El Salvador. The report from that area of Chalatenango indicates that in those battles lasting from 0600 to 1100, we inflicted the following number of casualties. Pay attention, Salvadoran people. This has been a crushing blow on the troops of Ochoa Perez. It is a military disaster for Ochoa Perez. Close attention: On the Northern Trunk Highway between El Barrancon and El Jardin we inflicted 29 wounded and 8 dead. This is a total of 37 casualties on the Northern Trunk Highway just in that area of El Barrancon and El Jardin. Those 37 casualties include a lieutenant, a sergeant, and 2 corporals. Our units also seized one M-16 rifle and its ammunition from the Army. Those troops received the support of three helicopter gunships that opened fire with machine guns and rockets without any military objective.

In these two actions on the Northern Trunk Highway in 5 hours of fighting we inflicted 40 casualties. We repeat: In 5 hours of battles at two different points on the Northern Trunk Highway, we inflicted 40 casualties this morning. This is the report that Radio Venceremos received at noon from heroic Chalatenango.

FMLN DECREES TRANSPORT PARALYZATION FOR 19 AUGUST

PA170416 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 17 Aug 85

[Decree issued by the FMLN General Command -- date not given]

[Text] The General Command of the FMLN informs the people that as of Monday, 19 August, there will be a nationwide transportation strike. This decision has been made to sabotage the war economy and to continue the war of attrition against military forces circulating on the highways as of the date announced. We ask the people to fulfill the decree in order to avoid creating innocent victims. The transportation paralyzation will be effective on the main and secondary highways in the entire country, and will be valid for all types of transportation: commercial, public, and private. Vehicles that circulate as of that date will be sabotaged. We call on all of the FMLN's guerrilla units in the entire country to strictly comply with this decree, which goes into effect as of Monday, 19 August. We ask the people to adopt the necessary precautions.

[Signed] FMLN General Command

VENCEREMOS CITES ARMY CASUALTIES FOR 12-18 AUGUST

PA190356 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 19 Aug 85

[Text] The following is a report of the casualties inflicted on the puppet Army during the week of 12-18 August, according to the military information received by Radio Venceremos during the week ending today. This week, our guerrilla forces inflicted 94 casualties, both dead and wounded, on the Army troops, including ambushes, and attacks on enemy positions and on air units of the dictatorship. The 94 casualties included a helicopter pilot, two lieutenants, one cadet lieutenant, one helicopter artillery man, a corporal, and two sergeants.

In the same period, our forces damaged three U.S.-made Huey helicopters. On Tuesday the 13th -- ominous to the dictatorship -- we damaged one helicopter in La Montanita, in Morazan Department, seriously wounding the pilot. We damaged another helicopter on that same day at the Chicontepec Volcano. Finally, the third helicopter damaged this week was hit by our machine-gun fire in the Guazapa sector. Its crewmembers were also wounded. Three helicopters damaged in 1 week. Meanwhile, in guerrilla ambushes, four military vehicles were destroyed.

Thus, after one week of guerrilla activity, our forces inflicted 94 casualties and 3 damaged helicopters. The imperialists can deliver helicopters, but can they revive the troops' morale, or replace the pilots and lieutenants?

HONDURASARMED FORCES REPORT U.S. PRIEST'S ARREST

PA200257 Buenos Aires REUTER in Spanish 0205 GMT 20 Aug 85

[Text] Tegucigalpa, 19 Aug (REUTER) -- An Armed Forces spokesman said today that a U.S. Catholic priest was arrested in Honduras and is suspected of perpetrating crimes against state security.

The U.S. Embassy confirmed that 46-year-old Father John Donald, a native of Albuquerque, New Mexico, was arrested last night by state security forces in northern Colon Department, close to the site where the joint U.S.-Honduran military maneuvers are being carried out. The embassy said he would be transferred to Tegucigalpa this afternoon, but could not supply further information concerning the reasons for his arrest.

Church sources said that the Jesuit priest, who served in the parish in Sonaguera, Colon Department, for the last 8 years, worked with peasant groups whom the Honduran authorities believe are involved in guerrilla activities. Security sources said that the priest also participated in demonstrations to protest the U.S. military presence in Honduras.

Further on Detention

PA200009 Panama City ACAN in Spanish 2221 GMT 19 Aug 85

[Text] Tegucigalpa, 19 Aug (ACAN-EFE) -- The Honduran Human Rights Defense Committee [CODEH] today reported the Army's detention of U.S. Catholic priest John Donald. According to the CODEH, Father Donald was arrested last night in the city of Saba, Colon Department, on Honduras' Atlantic coast. Donald was arrested by a sergeant in the Army's 4th Infantry Battalion with headquarters in the port of La Ceiba, Atlantida Department, and taken to Saba in an Air Force helicopter. He was wearing peasant-style clothing. According to the CODEH, Father Donald was arrested without a court order.

It is not known if he was taken to the installations of the 4th Infantry Battalion, a Honduran-U.S. base in Yoro Department, in northern Honduras, or to the special forces installations near the ports of Trujillo and Castilla, also in Colon Department. "CODEH is listing Father John Donald as missing for now," the organization said, adding that the "Honduran Armed Forces must indicate if they intend to deny the people religious freedom." CODEH's communique does not provide the name of the sergeant, nor the order to which the Catholic priest belongs. The Catholic Church has remained silent on the case, as has the Armed Forces public relations office.

NICARAGUA

COSTA RICAN FOREIGN MINISTER SENDS NOTE ON TALKS

PA192222 Managua Radio Sandino in Spanish 1930 GMT 19 Aug 85

[Text] San Jose -- The Costa Rican Government has again presented conditions for a dialogue with Nicaragua and stated its skepticism concerning the continuous peace proposals from the Nicaraguan Government. This came in a note from Foreign Minister Carlos Jose Gutierrez to his Nicaraguan counterpart. Foreign Minister Gutierrez insisted in his note that Costa Rica will not hold a dialogue with Nicaragua until the Sandinist government assumes its responsibility before the international community for the incident at Las Crucitas on 31 May, and the air raid on Barra del Colorado on 26 July. These two events were investigated by a special OAS commission that issued a ruling in favor of Nicaragua, saying that there was no evidence whatsoever to prove that the Nicaraguan Government was responsible.

In addition, the government in Managua issued a protest about these events, blaming the Democratic Revolutionary Alliance [ARDE] groups operating from Costa Rican territory.

Nevertheless, Gutierrez stated in his note today that his government still wants to hold a dialogue with Nicaragua because it is aware that the phantom of a generalized war looms over Central America, and a bilateral situation might become the spark that starts a conflagration. Gutierrez pointed out that Luis Alberto Monge's government cannot reject dialogue and embark on military adventures to resolve its difficulties with Nicaragua. Thus, it is necessary to resort to a sincere and constructive dialogue to achieve detente, he said. Gutierrez insisted that the dialogue cannot start until Nicaragua presents the corresponding apologies for the incident at Las Crucitas, which cost the lives of two Costa Rican civil guardsmen, and the events at Barra del Colorado.

FOREIGN MINISTRY DENIES RED BRIGADES PRESENCE

PA200407 Managua Domestic Service in Spanish 0300 GMT 20 Aug 85

[Text] The Nicaraguan Government said today it has no information concerning the alleged presence of the Italian Red Brigades in our country, and described a report published in the Costa Rican newspaper LA REPUBLICA as absurd. Nicaraguan Foreign Ministry spokesperson (Angela Zavalllos) said that talks have been held with several European governments and that details about alleged members of Italian terrorist groups have been requested so that action can be taken in case their presence in Nicaragua is ascertained.

Official on Terrorists Presence

PA192347 Madrid EFE in Spanish 2207 GMT 19 Aug 85

[Text] Rome, 19 Aug (EFE) -- Fenton Arellano, Nicaraguan charge d'affaires in Italy, denied today the reports from Costa Rica that 22 Italian terrorists of the Red Brigades will fight on the side of the Sandinist People's Army, EPS. Fenton Arellano called the news counterrevolutionary propaganda, which is part of the slander campaign against Nicaragua orchestrated by Washington, and which in this specific case is aimed at undermining the excellent relations existing between Rome and Managua.

Arellano said that the first radio station to carry the news of the presence of 22 Italian Red Brigades members in the EPS, giving their names and other biographical information was Radio Impacto, which is controlled by the counterrevolutionaries and transmits from Costa Rican territory. The newspaper LA REPUBLICA which also carried the report, is a rightist paper, explaining why it carried the report, Arellano pointed out.

The presence of Italian terrorists in Nicaragua was discussed on 7 February by the Italian Parliament of the government of Prime Minister Bettino Craxi, which reported that 204 of the 295 extremists wanted by the authorities were not in the country. The largest number of Italian extremists are in France, with 44, followed by Nicaragua and Costa Rica, with 13 and 20 respectively. The rest are dispersed in different parts of the world, Craxi said. [figures as received] Among the Italian extremists wanted by the authorities and who at that time was in Nicaragua, is Barbara Balzarai, who was arrested last June near Rome.

Prime Minister Craxi talked twice with Nicaraguan President Daniel Ortega about the possible presence of Italian extremists in Nicaragua. The first time he talked to Ortega was during Ortega's visit to Italy on 14 May 1985. Prime Minister Craxi asked the Nicaraguan Government's cooperation to try to locate the Italian terrorists -- Italy and Nicaragua do not have an extradition agreement -- and a list with their names was delivered to the Nicaraguan authorities. The Nicaraguan Government, which agreed to look into the matter, has denied giving any protection to persons linked to terrorism.

TINOCO ON PROPOSED DEMILITARIZED BORDER ZONE

PA180143 Managua BARRICADA in Spanish 16 Aug 85 p 5

[Text] The United Nations' experience in international border conflicts indicates that a peaceful agreement at the Nicaraguan-Costa Rican border must be the result of a "conventional method" whereby our country wants full powers to be granted to an international peace force for the observation, vigilance, and patrolling of a 350-km long border. Yesterday, Nicaraguan Acting Foreign Minister Victor Hugo Tinoco gave BARRICADA a detailed explanation of the proposals that Nicaragua would present during the negotiations [with Costa Rica] that could be held in Panama, in accordance with that government's invitation.

The two countries would have to agree on the powers to be granted to this international peace force. This is why this is called a conventional method. This force's main role has been broken down into three parts by Tinoco.

1. Friction between the two countries' forces would be avoided because a method whereby authority is delegated to this force in fact allows separation by a strip of land that would be between 6 and 12 km wide, (an equal distance on both sides) according to Nicaragua's planned proposal.
2. This force would prevent the mercenary forces from settling in the area. It was these mercenaries who started the conflict between the two countries "with the approval of and in collusion with members of Costa Rica's Rural Guard, as it has been confirmed," Tinoco continued.
3. Vigilance, which is impossible to carry out from fixed positions, would prevent other actions, such as arms trafficking, smuggling, cattle theft, and so on.

The acting foreign minister admitted that a peace effort like this one will inevitably require international support. Asked about the number of men required in this force, he answered that several thousand would be necessary, but that this can be estimated by UN military technicians who know how this type of force operates according to a border's topography. Similarly, how long these troops would stay in the area, their deployment, the equipment that they would use -- trucks, boats, helicopters, and the like -- would have to be negotiated. Of course, neither Costa Rica nor Nicaragua could finance this. He said: "This is why international cooperation is necessary to ensure peace."

Tinoco stressed: The cost is enormous, but the United Nations could give assistance in this. He mentioned conflicting situations in the Middle East and the border issue between Chile and Argentina as examples. The minister said that Argentina, Uruguay, and Brazil of the Contadora support group have offered their cooperation.

BARRICADA also asked about the international peace force's functions after an agreement has been signed vis-a-vis the control of the mercenary groups. "This will depend on the agreements, but the experiences in Sinai, the Golan Heights, and at the Syrian-Israeli border have shown that such functions will depend on the authority given to this force."

Tinoco stressed: "A more effective task could be assigned to this force, but this would be the result of a joint effort in this peace operation. We believe that this force's task should go beyond observation. This force should be held responsible for the control of what may happen in the neutral security zone."

He explained that such forces operate through a central command. If these forces are to act as observers, then they will only investigate incidents and report them either to central military authorities of the two governments or to the Contadora Group. "All depends on the agreements. This is rather a new situation. It has its own characteristics. However, the idea is for such a force to report to a political authority that could be either of the two governments individually, or both of the governments, or the Contadora Group...."

Tinoco commented that Nicaragua has presented the general outline of the proposal to the Contadora Group, but that this initiative has been blocked by Costa Rica's refusal to meet with Nicaragua. He recalled that President Monge said he was willing to meet with Nicaragua when President Ortega proposed a meeting to him through a letter, but then Monge ended up waiting for the OAS meeting. Since Nicaragua could not be held responsible for the deaths of the civil guardsmen, Costa Rica has continued to refuse the dialogue and has now tried to make Nicaragua present excuses for something Nicaragua cannot be blamed for.

Tinoco asserted: "I am sure that the Contadora Group countries are willing to play a role in the creation of the neutral security zone. Furthermore, Latin America's political willingness to help solve the problem has been demonstrated. Some countries have already offered their assistance in several ways."

Tinoco examined another argument through a question: "What does Costa Rica lose through the creation of a zone like this? Nothing. Quite the contrary. If they feel unsafe because Nicaragua 'threatens them,' this zone should make them feel safe. In addition, the Costa Rican Government would guarantee peace and tranquillity for its citizens. So, they not only don't lose anything, but they are benefited. Their sole justification for such a stance is U.S. pressure." He stressed: We maintain that the United States is exerting pressure. He then commented on the latest 6-point Contadora document, in which the need to resume the Manzanillo dialogue is stressed.

"As long as the United States does not have a willingness for peace regarding Nicaragua, the notion that Central American governments will reach an understanding with us is an illusion," he pointed out. During the entire Contadora Group effort, the United States has tried to boycott the negotiations. For this reason, we repeat that this dialogue is fundamental.

Regarding the role to be played by France, Tinoco said that due to this pressure by the United States, the Costa Rican-Nicaraguan delegations have not met since they met in Paris in October and November, at which time Nicaragua announced these plans for peace. He said that the French Government has been willing to support the negotiations and that this would indicate that a country like France with all its resources would also be willing to cooperate in the creation of the neutral security zone.

EEC REPRESENTATIVE EXPLAINS REASONS FOR VISIT

PA172053 Managua Domestic Service in Spanish 0300 GMT 17 Aug 85

[Text] Luigi Boselli, head of the EEC delegation to Latin America, arrived in Nicaragua a few minutes ago. Boselli is visiting the country to conclude preparations for the next meeting of the Contadora Group, Central American, and EEC foreign ministers. At a press conference at the Augusto Cesar Sandino Airport, Boselli gave more details on his visit:

[Begin recording] [Boselli] The main purpose of this visit is to place myself at the service of the Central American countries to explain in detail our proposal for a cooperation agreement with all the Central American countries. I began the trip in Panama and following the region's geography, I visited San Jose, Costa Rica today, and I am now in Nicaragua with the idea of furthering the dialogue that will lead to the formal negotiations on the agreement that will be held in September in Brussels. The goal is to sign the cooperation agreement in the second ministerial conference between Europe and Central America, which will also be attended by the Contadora Group members. That conference will be held in Luxembourg on 11 and 12 November.

We have a very tight schedule. Minister Cheysson [French external relations minister] asked me to come here at the request of some Central American ministers that he met at the inauguration of President Alan Garcia. This of course included Nicaraguan Vice President Sergio Ramirez. I will make the best use of the time. I will have the pleasure of meeting with the entire Central American negotiating team at the end of this tour in Guatemala. As you know, from 19 to 21 August the representatives of all the Central American countries will meet in Guatemala to establish their negotiating position. I will have the great pleasure of meeting with them on Wednesday afternoon at the end of the tour.

[Reporter] What is Costa Rica's position on the dialogue that Nicaragua and your organization are promoting?

[Boselli] I cannot speak for Costa Rica. I have the impression that it is very positive, but I honestly do not think I have the right to speak for Costa Rica.

[Reporter] Regarding economic matters, what participation will the Contadora Group have in the meeting that will be held in Brussels?

[Boselli] You know well that the European awareness and interest with regard to the Central American problem has always led to support for the Contadora Group. It will continue to maintain that support until peace is achieved in Central America. I cannot predict what will be the Contadora Group's economic participation in what the EEC might want to do, but we have thought about the possibility of a triangular cooperation system within the framework of a cooperation agreement. There are Contadora Group members such as Mexico and Venezuela that are already helping Central America. It is not impossible to imagine that there will be coordination between the efforts of those Contadora Group countries helping Central America and our efforts.

[Reporter] How could the EEC help break the U.S. trade embargo against Nicaragua?

[Boselli] Well, you know that we had the great privilege of receiving Sergio Ramirez recently in Brussels -- I think it was less than 3 weeks ago -- and we discussed this a lot. I think we are trying to help all the Central American countries, particularly Nicaragua in commercial matters. Perhaps it is symbolic that the first ship loaded with bananas after the embargo went to Rotterdam. [end recording]

Ends Visit, Departs

PA192226 Managua Radio Sandino in Spanish 1200 GMT 19 Aug 85

[Text] Luigi Boselli, EEC ambassador for Latin America, left Nicaragua yesterday after a 2-day visit.

The purpose of Boselli's visit was to discuss the signing of a new cooperation agreement for the Central American region with Nicaragua Government authorities.

[Begin Boselli recording] I think these are very interesting times for Nicaragua because possibilities for internal and international conciliation are being found. It has been a great pleasure to meet with the authorities and to learn about their great interest in a political dialogue with the EEC. They are very satisfied with the progress of this political dialogue. They are very interested in the cooperation agreement, whose negotiation has begun. This is the object of my Central American tour. In general, I think that in Central America they are the most interested in strengthening the ties between Central America and Europe. At the end of this tour of all the Central American countries, I will meet with the negotiating commission of Central America and Panama that is scheduled to meet on Monday, 19 August, in Guatemala. I will meet with the commission at the end of its meeting on Wednesday afternoon. We will have a lengthy session; in other words, prior negotiations. The real negotiations will begin on 16 September in Brussels. [end recording]

Boselli said that he held meetings with Deputy Foreign Minister Victor Hugo Tinoco and that he also met with Father Miguel D'Escoto. The EEC official and Tinoco discussed topics involving the region's political situation, the latest efforts of the Contadora Group, and prospects for peace in Central America.

HONDURAS TO CONTINUE TO SUPPLY ELECTRICITY

PA161639 Managua Radio Sandino in Spanish 0000 GMT 16 Aug 85

[Text] Francisco Jose Mojica, director general of production of the Nicaraguan Institute of Energy, said today that Honduras will continue to sell electricity to Nicaragua. Referring to an alleged \$40 million debt for electricity that Nicaragua owes the Honduran enterprise, Mojica said that the debt only totals \$408,000 and the appropriate agencies are taking steps to cancel it. Here is Mojica with details:

[Begin recording] [Mojica] First, I want to report that in our talks with our counterparts in the Honduran electricity enterprise, they told us that there is no change in the programs that we previously agreed upon. Regarding the financial aspects, we understand that the proper authorities in Tegucigalpa have already made some clarifications. They said that the figure that was reported is not the correct pending electricity debt. The procedures for cancelling the debt are already under way in both Nicaragua and Honduras so that the central bank authorities can agree on the appropriate measures. We are undertaking all of the necessary efforts so that these payments will continue to be handled as they have been during the past months.

[Question] How much does Nicaragua owe Honduras at this time?

[Mojica] The amount that we owe up to June is approximately \$410,000.

[Question] What is the status of current relations between the Nicaraguan and Honduran energy enterprises?

[Mojica] Our relations are very good. We maintain permanent communications with our counterparts so that any technical or financial situation is handled as soon as necessary and the appropriate measures are adopted to solve any problems as soon as possible. [end recording]

RAMIREZ ON EDUCATIONAL ACHIEVEMENTS, LIMITATIONS

PA182319 Managua Radio Sandino in Spanish 1300 GMT 18 Aug 85

[Text] Nicaraguan Vice President Sergio Ramirez Mercado said yesterday that the imperialist aggression is the factor that most negatively affects the quality of Nicaraguan education, since a large portion of the resources that could be invested in this field must be used to defend our homeland. He added that a great number of achievements have been made since 1979: Thousands of new positions have been opened for teachers, a large number of schools were built, and the already existing facilities were improved.

[Begin recording] The quality of education is not the same as the academic performance, so we must separate these two concepts. There are a group of factors that go together. Here, [words indistinct] the factor that mostly affects education in Nicaragua continues to be war and aggression. The efforts in education since 1979 have been first of all quantitative.

The first measures in the educational field were to dramatically increase the literacy levels in the country the thousands of teachers who were without jobs as a result of the Somozist policy were immediately hired with the creation of thousands of positions for primary school teachers. We began to build more classrooms throughout the country, giving special attention to primary schools. We began to improve the middle school facilities -- more than 25 middle schools have been built -- and workshops, laboratories were greatly improved, including those in higher education. In this sense, the physical space employed only for higher education for universities and higher technical institutes is five times greater than that which existed under the Somozism. Obviously, this quantitative improvement does not solve the problem; it is only a step forward toward solving the problem.

There are many other problems to be solved with respect to the qualitative improvement of teachers; in other words the [word indistinct] aspect. We must upgrade the quality of our laboratories and workshops. Moreover, during the first 3 years of the revolution, in an effort to build classrooms and physical installations for laboratories, we used funds received mostly from the World Bank.

However, today everyone knows that neither the World Bank nor the other credit institutions where the United States exerts great influence is lending us a penny, and this has prevented us from making heavy investments in education, as we did during the first years after the revolution's triumph. These elements are parts of the quality of education, and academic performance is one of these elements.

We must not forget... [rephrases] I am not trying to make excuses or say that everything is fine, that we do not have any problems regarding the academic performance, or the quality of education. However, the situation is not worse than it was during the Somozist dictatorship.

It is a myth and a lie to say that education was better here before the revolution's victory. First of all, it was a limited, distorted education; it was not a democratic education, and quality was not important. It was a strictly selective education, aimed at having the youths abandon their studies without completing their education, so that only a few would be able to occupy the limited positions that the obsolete system of exploitation permitted then. In other words, a country without a democratic political organization could not have a democratic education, as this would have been absolutely contradictory. [end recording]

KIDNAPPED GOVERNMENT WORKER RELEASED BY CONTRAS

PA191700 Managua Radio Sandino in Spanish 1200 GMT 19 Aug 85

[Report by Francisco Rodriguez, correspondent in Jinotega]

[Text] Maria Eugenia Quintana, a worker of the Nicaraguan Social Security and Welfare Institute [Insssi], who worked in the Las Praderas settlement and who was kidnapped by the task force that attacked and destroyed that settlement has been released. She witnessed the destruction of the settlement, and during her captivity she observed how the peasants are frightened by Reagan's paladins who leave sorrow and grief in their wake. She was freed as a result of the pursuit of our Armed Forces whom Reagan's brothers do not want to confront directly. She was held for 3 days and was left in a house in (Los Chaguitones). The owner of the house was threatened with death if he reported the action to the Armed Forces.

Maria Eugenia Quintana told us that she was fine. Insssi zone delegate Raquel Blandon Guevara said that Maria Eugenia was tired and that she should not be bothered. As a result of this, we were unable to get more details of the kidnapping from Maria Eugenia. As she was leaving for Managua, we obtained a few words from Maria Eugenia:

[Begin recording] [Quintana] I feel well, thank God.

[Rodriguez] How were you rescued?

[Quintana] They released me. [end recording]

CHAMORRO DISCUSSES 'TRIPLE DIALOGUE' PROPOSAL

PA161239 Panama City LA ESTRELLA DE PANAMA in Spanish 15 Aug 85 p C 1

[By Hermes Sucre Serrano]

[Text] Adolfo "Tito" Chamorro, political leader of the Southern Opposition Bloc (BOS), the military faction trying to oust the Sandinist regime, said in Panama City: "The Nicaraguan people do not want to spend the rest of their lives at war. We must stop all of the bloodshed among brothers without delay."

Chamorro, former commander of the Democratic Revolutionary Alliance (ARDE) forces, stressed that it is necessary to support any effort that seeks to achieve peace in the area "because the Nicaraguan people cannot endure the bloodshed."

Adolfo "Tito" Chamorro came to Panama City accompanied by other BOS leaders with the aim of issuing a proposal for "simultaneous triple dialogue" aimed at ending the Nicaraguan problem.

The triple dialogue proposal seeks to achieve peace in Sandino's homeland through talks between the United States and the Soviet Union, negotiations between Nicaragua and neighboring countries, and the implementation of a serious dialogue between Daniel Ortega Saavedra's government and the various opposition groups in Nicaragua.

Referring to the current armed situation in Nicaragua, "Tito" Chamorro said that the ARDE troops maintain control over more than 10,000 km and are waging fierce battles.

"We have turned the San Juan River zone into a guerrilla region and we have lost few men during the clashes," ARDE's political leader added.

Adolfo Chamorro, who abandoned the post of second commander of the rebel offensive in order to wage a political struggle against the Sandinist regime, added that the Nicaraguan Army has suffered significant losses during the clashes at the San Juan River. "Even though we are struggling with limitations, our fighters courage is tremendous," he said.

The BOS leader feels that the struggle to recover democracy in Nicaragua must not only be military, but also political. "I feel that a special interest should prevail to solve the internal problems among the Nicaraguan people without the intervention of foreign powers," he stressed.

"Tito" Chamorro, who believes that the options for democracy in Nicaragua are decreasing, said that "all of the civic actions to eradicate totalitarianism in the country have been carried out. This lack of political will has forced the people to exert their rights with weapons."

Chamorro said that given that the Sandinist government has refused to seek a political solution to the problem we must now "resort to and advocate civilized negotiations and dialogue."

In addition, a member of the Nicaraguan civil resistance who is exiled in Panama said that the BOS proposal is "not appropriate" because the political group has no support and will give in to the Sandinists in order to gain advantage of the situation.

Nevertheless, shortly before leaving for other Latin American countries to present the triple dialogue proposal, Chamorro said that talks are being held with leader Eden Pastora and other opposition leaders in Nicaragua to achieve a consensus of opinions and begin a negotiated solution to the Central American conflict.

ARDE MEMBER SAYS SANDINISTS SEEK IMPROVED IMAGE

PA182326 Panama City LA PRENSA in Spanish 18 Aug 85 p 16 A

[By Jose Quintero de Leon]

[Text] "The Sandinists would be very pleased if they could present a better image of the Nicaraguan Government at the international level in order to negotiate and hold talks with the United States," the representative of the Democratic Revolutionary Alliance (ARDE), Alvaro Altamirano, has told LA PRENSA.

Altamirano referred to the invitation by the Sandinist commanders to General Manuel Antonio Noriega, commander of the Defense Forces, to seek solutions to the border conflicts between Nicaragua and Costa Rica.

According to Altamirano, the Sandinists are trying to gain international acceptance of the idea that Nicaragua's problem is a confrontation between neighbors and not an international conflict. According to Altamirano, this is a good way of internationalizing the conflict so that people will forget what is happening domestically, such as the violation of liberties, torture, and civil war, not to mention that there are approximately 500,000 exiles living outside Nicaragua.

Neither the Hondurans, nor the Salvadorans, nor the Costa Ricans have any interest in any dialogue with the Sandinists because they are not going to play Nicaragua's game, Altamirano pointed out, adding that the United States is not showing any interest either in resuming the dialogue that was suspended at Manzanillo.

Asked about the position of Mexico concerning Nicaragua, he said that the Mexican Government has widely supported Nicaragua through the Contadora process. In this respect, he commented: "Mexico sends the bill to Cuban President Fidel Castro under the condition that Cuba will not interfere with him (Mexico)."

PASTORA REMARKS ON AID, SANDINIST LEADERSHIP

PY180150 Lima EL COMERCIO in Spanish 27 Jul 85 p B 8

[Interview with Eden Pastora, Commander Cero, on a flight to Panama, granted to EL COMERCIO correspondent RME -- no date given]

[Excerpt] [RME] Where are you going?

[Pastora] I am going to Panama and from there to Nicaragua.

[RME observation] He is reading a newspaper and shows it to me.

[RME] Do you believe that Reagan's policy has a direction? Is he really interested in the Nicaraguan problem?

[Pastora] Reagan does not want to topple the government. He does not want to undermine the regime either politically or economically. He is doing what they tried to do with Cuba, leave a dirty window [ventana sucia].

[RME] In your opinion, who among current U.S. politicians is the best informed about the situation in Latin America?

[Pastora] I do not know who is the best informed. They say one thing and do another. They are formulating U.S. policies at the expense of Nicaraguan peace.

[RME] I am sure people always ask you this question: Does the CIA help you?

[Pastora] That is so, and they also want to know what I would do if Nicaragua is invaded. I want you to take careful notes of what I am going to tell you because everyone always twists what I say. First: [number as published] If Nicaragua is invaded I will do just as I have always done before: take the side of my people; if they accept it, I will accept it, too.

[RME] Give me the names of the members of the Sandinist junta and a three-word description of each one of them.

[Pastora] Daniel Ortega is sly. Humberto Ortega is crafty. Tirado Lopez is a good guy. Tomas Borge is ambitious and criminal. Bayardo Arce is a drunk. Jaime Wilcox [name as published] is an intelligent gentleman. Carlos Nunez is an anonymity. Luis Carrion is mongoloid. Henry Ruiz plays humble out of sheer arrogance. The only one of them who really fought was Tirado Lopez, a Mexican, a foreigner. They are Marxists who are sure that Marxism cannot be implemented in Nicaragua but they implement it anyway to stay in power. I spent 20 years with them and know them well. The historical swindle is that everyone believes that they commanded great battles and in order to be noticed they wear commanders' uniforms.

None of them has any merit: they all try to imitate Fidel Castro and would not make one Fidel even if all nine of them were put together.

[RME] I do not know Fidel Castro. How would you describe him so that I could have a correct picture of him?

[Pastora] A Galician prince.

[RME] What do you most blame the nine commanders for?

[Pastora] For having lost the only chance a people had in the history of humanity of practicing true independence, because with all the help the world gave us at the time we could have had numerous economic partners and have avoided dependence on a single one. No other nation in the world had the same opportunity. Peru, Colombia, Ecuador, Panama, Venezuela, Costa Rica, Mexico, even the Arabs, helped us. We lost everything when we aligned ourselves with the USSR.

UNO-FARN'S CHAMORRO ON STRUGGLE SITUATION

PA180331 Panama City LA PRENSA (NICARAGUA HOY supplement dated 10 Aug 85) in Spanish 17 Aug 85 pp 1 C, 4 C

["Exclusive" interview for NICARAGUA HOY granted by Fernando "El Negro" Chamorro, commander of Nicaraguan Opposition Unity-Revolutionary Armed Forces of Nicaragua, UNO-FARN, at an unnamed guerrilla camp; date not given -- questioner not identified]

[Text] [Question] Commander Chamorro: How soon do you think the Managua communist forces can be defeated?

[Chamorro] We must answer that question based on realities and not guided by male chauvinism. We must say that a unification of military and political forces will overthrow the Sandino-communist tyranny. We can predict that our struggle in favor of a democratic cause will soon come to an end. There are factors in our favor, such as the internal nonconformity of our subjugated people, the intensification of guerrilla activities of various organizations throughout the country, and the support we have from democratic peoples and governments. These realities make us feel that we have reached the final stretch, and that we are almost home.

[Question] How many fighters are there in your ranks, and how much Nicaraguan territory do you have under your control?

[Chamorro] I cannot answer that question for internal security reasons. We are expanding every day, and we have increased our struggle on the southern front. The doors are open for all the democratic currents. The number of peasant fighters who join our forces is constantly growing. That is all I can say. We are sacrificing and giving our sweat and blood for Nicaragua's liberation.

[Question] It has been said that you are trying to establish a beachhead at the Great Lake. Is this so?

[Chamorro] We have said that we are fighting inside our national territory. Within our military strategy we consider the Great Lake as a natural passageway that will enable us to get closer to the largest cities in our homeland. With that beachhead we will deal more effective blows against the Sandinists.

[Question] A few days ago you were found guilty by the Anti-Somozist People's Tribunals. What is your opinion on this?

[Chamorro] Frankly, the sentences of the Anti-Somozist Tribunals -- made up of former Somozists whom we have fought against all our lives -- only remind me of the sentences and repression I experienced under the Somoza regime. It fills me with indignation to be labeled a "Somozist," which to me means the same as Sandinist. I must recall that this is the third or fourth time I have been sentenced by the Sandino-communists. I will always consider these sentences as a patriotic reward. I was found guilty in 1981, right after I left Nicaragua to join the struggle. I was also found guilty in 1982 for the alleged plot against the Cementera [cement plant] and the oil refinery. In 1983 I was found guilty for the attack on the Paso-Caballo Bridge, and now again my brother fighters and I have been found guilty for our patriotic struggle. They have given me more than 100 years in prison, and also ordered my properties confiscated, along with those of my family and wife. I am willing to accept all that, but I will not yield one inch. If they say I am guilty, I know that the people will support me in this struggle.

[Question] Commander Chamorro, what are your sources of aid?

[Chamorro] Well, through the efforts of our political leaders, we have the support and are receiving aid from many democratic institutions that have confidence in our military ability and call for freedom.

[Question] What do you think of the UNO directorate, which is comprised of Cruz, Calero and Robelo?

[Chamorro] UNO has managed to consolidate a unification effort by the various political and military sectors struggling for Nicaragua's liberation. Cruz, Calero and Robelo have our full support. We are making a great historical effort.

[Question] Commander, what is your political ideology?

[Chamorro] I believe in God, our country, and freedom. I believe in a political system in which the inherent rights and guarantees of human beings are respected. I believe in a genuine political pluralist system practiced by those outside the government and by the government. I believe in a democratic government with its three independent branches: executive, legislative, and judicial. I cannot conceive of a government violating the freedom of expression because I think this is a fundamental freedom; the other freedoms are guaranteed by the freedom of expression. I think there should be freedom of religion and freedom for trade unions. This is what I expected when I fought for the FSLN and when my ideals were betrayed, I began struggling to retrieve those freedoms. I think that these views can give you an idea of my political ideology. In the social aspect I think that every Nicaraguan should have the opportunity to seek his personal welfare, especially the low-income sectors, which are the majority. The workers and peasants should receive the benefits of the nation's wealth and not have to live in poverty, like in the communist state. I believe in the struggle of classes, but not in the hatred of classes the Sandinists have implemented.

[Question] Commander, what do you think about private enterprise?

[Chamorro] In the economic aspect, I believe in the principle of free enterprise -- free enterprise that keeps the country productive without disregarding the social function that every enterprise should have.

To me, good relations between management and the workers is very important in the economic development of a country. However, this can only be attained under a democratic regime. That is why I think that democracy is the only political system that can make Nicaragua's reconciliation and reconstruction possible.

[Question] Commander, what do you think of Marxism?

[Chamorro] I am a Christian and therefore, I cannot feel right nor identify myself with Marxism or Sandinism, which have atheism as the basis of their ideological support. As a Christian I feel that Marxism-Leninism is an aberration of humanity. Marxism destroys the family and I deeply believe in family values. The family is the center, the foundation, and the moral bastion on which man's society must rest. That is why I am a democrat, not a Marxist. We are struggling to give Nicaragua a real democratic system.

BRIEFS

CONSULAR AGREEMENT WITH VIETNAM -- Victor Hugo Tinoco, acting foreign minister, and Nguyen Dinh Bin, Vietnamese ambassador to Nicaragua, today ratified a consular agreement between the two countries. According to this agreement, nationals and seaborne cargo from either country will be able to freely enter and exit the other. [Summary] [Managua Sistema Sandinista Television Network in Spanish 0200 GMT 15 Aug 85 PA]

SANDINIST YOUTH NATIONAL COORDINATOR -- Pedro Hurtado Vega is the new national coordinator of the 19 July Sandinist Youth. He replaces Carlos Carrion who is now delegate of the presidency in Region 3. [Summary] [Managua Radio Sandino in Spanish 1200 GMT 13 Aug 85 PA]

RAUL CASTRO MARKS 60TH MARXIST PARTY ANNIVERSARY

FL162210 [Editorial Report] Havana Television Service in Spanish at 2058 GMT on 16 August carries live coverage of the ceremony commemorating the 60th anniversary of the founding of the first Cuban Marxist-Leninist party, the Popular Socialist Party, being held at Havana's FAR Universal Hall.

The camera pans the audience while waiting for the ceremony to begin. The announcer gives a history of the development of the Popular Socialist Party. As the camera pans the auditorium, it appears the room is filled to capacity.

At 2104 GMT the curtain on the stage opens and a dais is exposed to show Raul Castro standing in the middle of other leaders. Everyone stands as they play a military march. Three FAR representatives march down the center isle carrying the Cuban flag and proceed to the front of the dais. One of the combatants places the Cuban flag in the corner and the national anthem is played. Fabio Grobart, Carlos Rafael Rodriguez, Jose Ramon Machado Ventura, Roberto Veiga, and Blas Roca are among those standing at the dais. Fidel Castro is not present.

An unidentified speaker reads an agreement from Cuba's Council of State. He announced Fabio Grobart is the recipient of the title of Cuban Work Hero and the Lazaro Pena Order, First Degree. Grobart is a founder of the first Marxist-Leninist party of Cuba. The audience stands and applauds as he finishes reading his announcement which is signed by Fidel Castro.

The speaker announces that Emilio Rodriguez Lara is awarded the Lazaro Pena Order, Second Degree, for being a founder of the first Marxist-Leninist party.

At 2110 Raul Castro pins the medals on the two gentlemen. The audience applauds during the whole procedure as Castro speaks to each of the recipients. At 2114 GMT the recipient of the Cuban Work Hero award, Fabio Grobart begins a speech at the podium. He gives a history of Cuba's struggle for independence. He speaks highly of receiving his award and denounces the United States for trying to isolate Cuba. At 2130 GMT Grobart finishes his speech. He receives an embrace from Vilma Espin and shakes hands with the men sitting at the dais, including Castro. Grobart is also moved to tears.

At 2132 GMT Raul Castro begins his speech. He concludes his speech at 2241 GMT.

RAMON CASTRO MEETS WITH DPRK'S KIM IL-SONG

FL192112 Havana Domestic Service in Spanish 1819 GMT 19 Aug 85

[Text] DPRK President Kim Il-song today expressed his complete support for Commander in Chief Fidel Castro's proposals on the cancellation of the foreign debt and the simultaneous holding of the coming Olympic games in North and South Korea.

When Kim Il-song received the delegation headed by National Labor Hero Ramon Castro, who gave him fraternal greetings from the Cuban president, he stressed the magnificent personal relations he maintained with Fidel. With regard to bilateral relations, the DPRK president expressed satisfaction for the present state of relations with Cuba and was especially grateful for the assistance received in developing the livestock industry. He said Ramon Castro's visit to his country contributed to the development of fraternal relations between the two nations.

RISQUET TOURS ETHIOPIAN RESETTLEMENT AREAS

FL191146 Havana Domestic Service in Spanish 1100 GMT 19 Aug 85

[Text] A delegation from the Communist Party of Cuba headed by Jorge Risquet, Politburo member, has toured Ethiopian resettlement zones resulting from the drought. Risquet has been in Ethiopia since last Wednesday to meet with officials of the Ethiopian party and government on bilateral, political, and economic relations.

DELEGATION ATTENDS ECLA MEETING IN BUENOS AIRES

FL191222 Havana Domestic Service in Spanish 1100 GMT 19 Aug 85

[Text] Representatives from Latin American governments will begin today in Buenos Aires an analysis of the continent's situation for the purpose of submitting their opinions on the joint current international economic situation aggravated by the Latin American foreign debt. The meeting was called by ECLA and will have as its base a document prepared by the UN General Secretariat of that regional organism.

The meeting of high-level government specialists will deal primarily with Latin American options to confront the consequences of the current situation and will listen to the conclusions and recommendations from ECLA member countries' governments on the foreign debt. It is suggested by the high-level governmental specialists committee that the delegations assign special importance to the problem of the foreign debt because the framework will be presented to the ECLA Plenary Committee which will meet also in Buenos Aires next Thursday. The governmental specialists agenda meeting today in the Argentine capital will also examine the economic and social development policies which can be applied to the international economic transformation.

Among the governmental representatives that have arrived in Buenos Aires is Cuba's delegation which was met by (Raul Saladri), interim vice president of the ECLA committee.

ICAP COMMEMORATES DIPLOMATIC TIES WITH POLAND

FL191344 Havana Domestic Service in Spanish 1200 GMT 19 Aug 85

[Text] The 25th anniversary of the establishment of diplomatic relations between Cuba and Poland was celebrated by the Cuban Institute of Friendship with the Peoples, ICAP, and the Cuban-Polish Friendship Association with the opening of a photo exhibit in the Palace of the General Capitans in the Plaza de Armas in Havana. The third contingent of the Carlos Rolof Brigade attended.

VERNON WALTERS REMARKS ON INTERVENTION CONDEMNED

PA190415 Havana International Service in Spanish 0000 GMT 18 Aug 85

["Our America" commentary]

[Text] U.S. Ambassador to the United Nations Vernon Walters recently told Colombian television that the United States has not ruled out the possibility of a direct military intervention against Nicaragua. The former CIA director [as heard] argued that his country feels that Nicaragua has weapons stockpiles, capable of destroying, not only its neighbors, but also many countries of the hemisphere.

Once again Washington shows its arrogance against the small Central American country and willingly forgets that the most dangerous and terrorist state is the United States, which has virtually invaded all the Latin American nations. Latin America will never forget this irrefutable fact.

Does the U.S. Government believe that just because the United States is the most powerful imperialist power in the world, it can still wield the big stick against our nations? Washington forgets the lesson of the war in the Malvinas Islands, when the entire region sided with Argentina. It also forgets the awakening of our peoples and governments against the inhumane and immoral exploitation of its wealth through the unpayable foreign debt, which amounts to over \$360 billion. These two aspects guarantee the unity of the Latin American and Caribbean peoples.

In this threatening and arrogant statement, Walters said that the United States might invade Nicaragua by enforcing the Inter-American Reciprocal Assistance Treaty, TIAR, which establishes complete protection for all signatories when they are victims of an aggression. In 1982, the United States turned its back on Argentina and it did not express any solidarity with the cause of that Latin American nation in the face of the conflict with Great Britain over the Malvinas Islands.

On that occasion the TIAR had to be enforced, but now Washington hypocritically brings it up to attack the small Nicaraguan state.

Vernon Walters told the Colombian television media that Nicaragua is an overarmed country, but the U.S. ambassador to the United Nations did not say that Nicaragua has been forced to seek weapons in order to defend itself from the constant attacks of the counterrevolutionaries who, with the support of Washington, are attacking Nicaragua from Honduras and Costa Rica.

Vernon Walters did not say that the United States has turned Honduras into its largest aircraft carrier, by having in that Central American country several landing strips for its war planes, thousands of soldiers carrying out aggression practices, sophisticated tanks close to the Nicaraguan border, and warships that are violating the Nicaraguan territorial waters.

The Managua government has alerted the international community about a probably Yankee invasion, precisely because it feels it is being harassed on both the northern and southern borders by the mercenary bands financed by Washington, which is utilizing them as spearheads for the direct military aggression. The failure of the mercenary bands which have been forced to flee on many occasions in the face of the strength of the Sandinist People's Army, has forced the United States to publicly announce its warlike purposes through its official spokespersons.

To this effect, Vernon Walters said in Colombia that his country remains alert concerning the border situation between Nicaragua and Costa Rica, where, he said, a generalized conflict might lead to an invasion. As it is noticed, the Yankee ambassador to the United Nations is forecasting a conflict between these two countries, without taking into consideration that on many occasions the Nicaraguan Government has unsuccessfully urged the Costa Rican Government to create a peace zone along the border.

The peoples of our America are alert to the U.S. threats of direct aggression against Nicaragua, and will know how to give, in due time, the solidarity and support required to confront the main enemy of our Latin American nations.

COMMENTARY PREDICTS THATCHERISM 'TO DISAPPEAR'

PA200137 Havana International Service in Spanish 0000 GMT 16 Aug 85

["World Events" commentary]

[Text] Although the U.S. Government earned the hate and condemnation of all Latin American people with its support for the United Kingdom during the Malvinas war, British Prime Minister Margaret Thatcher took advantage of the pyric victory over Argentina to advance the date for the elections. Sectors of the British bourgeoisie that support Margaret Thatcher then waged a clever propaganda campaign which considerably increased the Iron Lady's popularity. The campaign consisted of exacerbating chauvinist feelings and hailing the revival of British power. However, many things have happened since then. The prime minister's popularity is at its lowest levels. Her economic policies are destined to fail and her subservience to Washington's dictates has generated a great deal of criticism from the opposition.

In a recent television interview when answering a question about her economic policies, the British prime minister became tangled up in ambiguities such as the following: I know what is expected from a prime minister: clear and vigorous leadership and doing the right thing. That is the only path I know, she said. Undoubtedly, it would have been difficult for Margaret Thatcher to explain her economic policies with objectivity because her government has cut large sums designated to social services. As a consequence, education, housing, and benefits to the elderly and the poor were considerably reduced. In addition, over the past years unemployment increased to more than 3 million people, which made this the most serious problem that the country is facing.

During her political campaign, Thatcher promised to cut government expenditures and to reduce taxes; however, she has not fulfilled either of those promises. Government expenditures increased 10 percent and taxes were reduced for only a small portion of the population; of course, the richest people in the country. Despite this difficult situation, which is worsened by the high interest rates imposed by the United States and the excessive value of the dollar to the detriment of the pound, the UK currency, the London government increased investments for arms manufacture by 20 percent and submitted to the Pentagon strategy of installing dozens of nuclear cruise missiles on that European island.

Although some observers have attempted to present the coal workers strike, which continued for almost a year and ended in March, as a victory for the prime minister, the fact is that action increased the influence of the Labor Party, which supported the strike from the outset. The repressive policies applied against the miners received criticism from most of the people, even from some clearly right-wing organizations. During the past 3 months, the Labor Party, headed by Neil Kinnock, has headed the popularity polls with nearly 11 points ahead of the alliance of Social Democrats and Liberals, and with more than 20 points over the Conservative Party.

Another problem faced by the Iron Lady's cabinet is the military occupation of Northern Ireland, where the people demonstrate more emphatically each day that they are not willing to submit to the ferocious domination of London for much longer. A few days ago, several people were killed and others wounded during violent clashes between British policemen and demonstrators. The gendarme used vehicles and rubber bullets against more than 15,000 Northern Irish patriots who were demonstrating in Derby.

Thatcherism, as the British prime minister's policies are called, will disappear without a trace, and it is believed that in the 1988 elections it will be very difficult for Margaret Thatcher to be elected. In almost 7 years, she has done nothing for the British masses, and with an economy in constant deterioration, there is little she could do -- even if she wanted to -- in her remaining 2 years in power.

EEC OFFICIAL CONFIRMS SUPPORT FOR NICARAGUA

PA191501 Havana International Service in Spanish 1800 GMT 18 Aug 85

[Text] Nicaraguan President Daniel Ortega has said that Trinidad -- which on 1 August repelled a counterrevolutionary attack -- has become a symbol of resistance. During a visit to that town in Esteli Department, Ortega highlighted the role of the fighters who made the counterrevolutionary defeat possible, and sympathized with the families of those killed in the clash.

Meanwhile, it was reported in Managua, that Luigi Boselli, EEC ambassador for Latin America, has confirmed EEC support of Nicaragua in response to the economic problems resulting from the U.S. trade embargo. Boselli added that the EEC has already acquired aid for Nicaragua in the amount of \$80 million for emergency, humanitarian, and other programs.

SALVADORAN FMLN-FDR WILLING TO RESUME TALKS

PA192247 Havana International Service in Spanish 1800 GMT 19 Aug 85

[Text] The Salvadoran FMLN and FDR have sent a letter to the Salvadoran Episcopal Conference expressing their desire to resume talks with the regime until peace with justice is achieved for the people.

In the letter, the guerrilla organizations analyzed the contents of the pastoral letter issued by the Salvadoran bishops on 8 August, noting that the Catholic Church ignored the U.S. Government's role in prolonging the Salvadoran conflict and favored the interests of Jose Napoleon Duarte's regime. The document added that the highest religious institution has never publicly charged the regime for its responsibility in blocking the dialogue. It also stressed that Archbishop of San Salvador Msgr Arturo Rivera y Damas has not maintained a vigilant, demanding attitude regarding compliance with the agreements by government authorities.

The guerrilla organizations said that since the dialogue process began in October of last year, they have presented their proposals but neither the government nor the church have replied in writing.

The FMLN-FDR urged the Episcopal Conference to preserve and strengthen the necessary neutrality as mediator in order to maintain the confidence of the sides involved.

PRAVDA SAYS GRENADIAN SITUATION 'CATASTROPHIC'

FL191256 Havana Domestic Service in Spanish 1100 GMT 19 Aug 85

[Text] A PRENSA LATINA release from Moscow reports that the Soviet daily PRAVDA has published a commentary which calls the situation in the Caribbean island of Grenada catastrophic. According to PRAVDA, 40 percent of the Grenadian population able to work is unemployed. Prostitution, delinquency, and drug consumption prospers in the small country.

DOMINICAMINISTER REVIEWS INFRASTRUCTURE DEVELOPMENT

FL191749 Bridgetown CANA in English 1918 GMT 17 Aug 85

[Text] Roseau, Dominica, Aug 17, CANA -- The Dominica Government is spending EC53.1 million dollars (one EC dollar: 37 U.S. cents) on the development of the island's infrastructure which was severely damaged by hurricanes in 1979 and 1980, Communications and Works Minister Alleyne Carbon said. We are building up our basic infrastructure, Carbon told parliament. Infrastructure is important to us. Seventy-five per cent of the EC11 million dollars Dominica is receiving from the European Community under the Lome Convention will go towards the programme, Carbon said. Among the development plans outlined by Carbon over the coming months will be the construction of a terminal building at the increasingly popular canefield air strip just outside the capital, Roseau, extension of telephone links, and the provision of electricity to the Eastern section of the island for the very first time.

In her rebuttal to the 1985-86 budget presentations made in parliament this week, Prime Minister Eugenia Charles said it was a people participation budget. She appealed to the private sector to continue to assist in the development of the island, and also urged taxpayers to be prompt and sincere in their payments to the state.

The Dominica parliament on Thursday approved government's 153.1 million dollar budget in the absence of opposition members. Lawmakers of the Dominica Labour Party walked out of the House of Assembly on Wednesday in protest against a decision not to broadcast the party's budget reply live on the state-owned radio.

NETHERLANDS ANTILLESARUBA OBTAINS \$30-MILLION NETHERLANDS LOAN

FL141545 Bonaire Trans World Radio in English 1130 GMT 14 Aug 85

[Text] The Netherlands has made a loan to Aruba's Government of around \$30 million to be spread over the next 2 years. Interest payments will be 2.5 percent over the next 30-year repayment period. Dutch Minister of Antillean Affairs Jan de Koning praised Aruba's austerity measures. Aruban authorities will also consult with a number of financial experts from the Netherlands in the future. Mr De Koning said that 35-percent unemployment rate on Aruba is cause for concern. He promised aid for stimulating tourism as a way of generating job opportunities.

TRINIDAD AND TOBAGOPRIME MINISTER OUTLINES DEVELOPMENT PLANS

FL191539 Bridgetown CANA in English 1913 GMT 17 Aug 85

[By Debra Ransome]

[Text] Port-of-Spain, Trinidad, Aug 17, CANA -- Trinidad and Tobago is giving priority attention to bringing about an attitudinal change toward tourism and to allocating more government resources to research in science and technology, Prime Minister George Chambers said last night.

Chambers told newsmen these moves, along with an improvement of public sector information systems to cater to the needs of business, were necessary if this country is to capitalise on several investment opportunities which have arisen out of his recent one-month tour of the Far East and Europe. The prime minister, who had declined to give reporters details about the outcome of the trip when he returned home on August 8, presented a comprehensive 22-page report at last night's news conference spelling out what the tour had accomplished. Chambers and a high-level government delegation that included External Affairs Minister Errol Mahabir and Commerce Minister Wendell Mottley visited Hong Kong, South Korea, Japan, India, China, the United Kingdom and Austria.

Chambers, whose trip was aimed above all at finding new export markets for local products, said there was a need for the local manufacturing sector to diversify the oil-based economy through joint ventures and foreign investment. He also spoke of a need to implement better arrangements for the issue of visas to foreign businessmen and bona fide tourists.

Trinidad and Tobago, faced with dwindling revenue from the once-booming petroleum sector, the country's key economic pillar, is opening up its doors to investors and tourism in the hope these areas of activity would help take up some of the slack created by the fall-off in oil income.

The report made mention of several technical assistance agreements at the government-to-government level, and gives details of numerous investment possibilities in manufacturing and tourism. Under one technical assistance agreement, the executive director of the Hong Kong Trade Development Council will advise the local Industrial Development Centre (IDC) on the establishment of a science-technology park and an export zone here. Another provides for the Wuhan Corporation of China to offer Trinidad and Tobago technical help in rice and vegetable production. Other similar agreements with India and South Korea are expected to lead to an exchange of advisers, experts, and technicians.

As far as investment in manufacturing is concerned, the following pledges were given:

Britain: A methanol plant (ICI), a new factory (Unilever), a modern abattoir, and a meat processing plant.

China: The manufacture and export of Chinese-style furniture, aqua-culture projects, and garments made here from Chinese textiles.

Japan: Improving local motor vehicle and parts assembly, and the manufacture of aluminum building materials.

India: A tyre plant, a fertiliser complex, and the manufacture of transformers. India has also signed an agreement to purchase 120,000 tonnes of Trinidad-made urea a year over the next three years.

Chambers said that in the light of what the delegation had seen of how this country is perceived abroad, government was now looking at ways to speed up modifications of existing policies on foreign investment. Tourism, a key area under study, is being pushed as a potential major foreign exchange earner for this country, in view of the slump in the once-booming petroleum sector. Later this month, government expects a team from the Chinese Taj and Oberoi hotel groups to visit here with a view to further looking at possibilities for hotel development.

Officials who accompanied Chambers on the tour stressed at the news conference that strong follow-up action was all that was needed now to enable the agreements to bear fruit. One of the main purposes of our mission has been to go out there and try to beat the trade routes and to get our industry outward looking, so that we can begin to replace what is lost in oil by new activity generated out of our manufacturing enterprises, Commerce Minister Mottley told the news conference. We have to become in Trinidad and Tobago winners in world markets and that is something that our state enterprises have to address but, more so, private enterprise in Trinidad have to become winners in export markets.

HOYTE ANNOUNCES CABINET, ARMED FORCES CHANGES

FL191829 Bridgetown CANA in English 1927 GMT 18 Aug 85

[Text] Georgetown, Guyana, Aug 18, CANA -- Guyana's new President Desmond Hoyte last night announced three cabinet changes including the appointment of Viola Burnham, wife of the late President Forbes Burnham, as vice-president and deputy prime minister. Hoyte, who assumed duties as head of state following Burnham's death on August 6, also announced promotions for the two top men in the country's Armed Forces. Chief of Staff Brigadier-General Norman McClean was promoted to major-general, and Guyana Defence Force Commander Colonel David Granger was made a brigadier-general.

In the cabinet appointments, Mrs Burnham, who becomes one of four vice-presidents and four deputy prime ministers, will be responsible for social development. She will also remain chairman of the Women's Revolutionary Socialist Movement (WRSM), women's arm of the ruling People's National Congress (PNC). Vice-President and Attorney-General Dr Mohammed Shahabuddeen was appointed first deputy prime minister, the number three rank in the cabinet, and Information Minister Yvonne Harewood-Benn was made a senior minister.

PRESIDENT REAFFIRMS COMMITMENT TO CARICOM

FL192220 Bridgetown CANA in English 2155 GMT 19 Aug 85

[Text] Georgetown, Guyana, Aug 19, CANA -- Guyana's new president, Desmond Hoyte, has reaffirmed his government's commitment to the Caribbean Community (Caricom) and to the principle of non-interference in other countries' domestic affairs. Addressing yesterday's opening session of his party's sixth biennial congress in Georgetown, Hoyte said: We remain integrationists, committed to the ideas and purposes of the Caribbean Community. He added: We must therefore continue to do our best to promote faithfully the objectives of the Treaty of Chaguaramas under which Carocom was set up.

The eight-day congress started almost two weeks after the death of former President Forbes Burnham, who had led Guyana for two decades. Hoyte noted that Burnham was a founder of the regional integration movement and had maintained a commitment to the community. A large part of Hoyte's address reflected concern about reported attempts at subversion here. He told the more than 3,000 delegates and observers there was nothing in the Caricom arrangements that gave nationals of one state the right to interfere in the domestic affairs of another. We have never interfered in the internal affairs of other countries, he said, adding that Guyana would continue to ignore the mouthings of marginal types who arrogate to themselves from time to time the right to pronounce and pass judgment on our domestic affairs.

TRADE TALKS CONTINUE WITH TRINIDAD-TOBAGO

FL191616 Bridgetown CANA in English 1635 GMT 18 Aug 85

[Text] Georgetown, Guyana, Aug 18, CANA -- Talks on Guyana-Trinidad and Tobago trade, suspended because of the death of Guyanese President Forbes Burnham, are to continue next week in Port-of-Spain, the government here said. Guyana has undertaken to supply Trinidad and Tobago with rice and other items to help reduce the 500 million TT dollar (one TT dollar: 41 cents U.S.) debt incurred by Georgetown. The bulk of the money represents petroleum imports. Guyana is to supply Trinidad and Tobago with pumpkins, fruits, forestry products, and pre-fabricated houses. The talks between the two sides were suspended last week, and the Guyana team returned home to attend Burnham's funeral. Those who went to Trinidad for the talks included Chairman of the Guyana Rice Board Leon Dundas.

BLACK MARKET FLOURISHES DUE TO SHORTAGES

FL170300 Bridgetown CANA in English 2340 GMT 16 Aug 85

[Text] Paramaribo, Suriname, Aug 16 (CANA) -- Shortages of consumer goods, hoarding, and high prices are swiftly becoming a feature of economically-troubled Suriname.

The black market, where you can pick up most things if you are prepared to dig deep into your pockets, has persisted despite police raids and greater vigilance at ports of entry.

Since attaining its political independence from Holland in 1975, Suriname, with a population of some 392,000 has experienced mixed fortunes politically and economically. A 1980 coup by the military brought with it economic pressures from the mother country, which suspended post-independence aid payments originally intended to span 15 years to 1990.

This diminution in income, plus domestic economic decline linked to the international recession, combined to reduce Suriname's available foreign exchange and therefore its ability to import all its needs.

Items in short supply include potatoes, onions, sardines, cheese, garlic, evaporated milk, toilet paper, and mosquito repellants. Some once popular imported food drinks have vanished from the supermarket and department store shelves.

On the black market it isn't too difficult to find a roll of toilet paper -- if the shopper is prepared to ignore the government-controlled price of .85 guilders and pay 2.50 guilders (one U.S. dollar: 1.77 Suriname guilders). The street price for mosquito repellant ranges from 4.50 guilders per packet to 7.50 guilders. A packet once cost 1.18 guilders.

The government has moved to put the brakes on this state of affairs with the establishment of outlets where the items in short supply are sold at controlled prices, with consumers being limited to specified quantities. But it is an uphill task to stamp out blackmarketeering.

The authorities have been accusing sections of the business community of hoarding to create artificial shortages, and from time to time raids -- some successful -- have been mounted against suspects. Only recently the military police uncovered a smuggling ring when they intercepted a boat laden with uncustomed consumer items bound for neighbouring Guyana. The items included building materials, chicken feed, tiles, sliding doors, motor cycles, paint, jute bags, iron plates, tyres, Colgate, milk, and several other items which were valued at some 400,000 guilders.

Shortly after this discovery was made, the authorities put up a notice at the Zanderij International Airport to the effect that outgoing passengers are not allowed to export goods, while at Nickerie, the border town with Guyana, there was one which said passengers were not allowed to take out anything with the exception of rice and sugar. This has scaled down the influx of Guyanese traders who had been doing a lucrative business ferrying from Suriname to Georgetown a variety of items also in short supply there.

Addressing a mid-July meeting to mark the fifth anniversary of the February 25 Movement, a political grouping loyal to the leader of the Suriname revolution, Desi Bouterse, he himself indirectly acknowledged the shortages.

While there is a problem of scarcities in the country, boats laden with essential commodities are being seized in the Corentine River by the police and military police working in collaboration with customs department, Bouterse said.

These goods are brought with Suriname's foreign currency and illegally sent to another country, he said, adding that the scarcities will be corrected only when there is a good management and distribution system and the right persons to occupy the right posts.

Both the Bouterse administration and political observers here link the problem to the withdrawal of the compensatory repayments by the Dutch Government and the steady decline of the country's economy leading to a scarcity of foreign exchange.

Government ministers have been saying that the limited amount of hard currency here would be used for priorities such as energy, equipment, spare parts, raw materials, and essential goods.

Still trying to shake off the crippling effects of a five-week strike in the bauxite sector (December 1983 and January 1984), the authorities only recently had to contend with a two-week stoppage at another bauxite complex here. Bauxite is Suriname's chief foreign exchange source. This sector accounts for 80 per cent of the hard currency earned by the country, and official records show an inevitable decline in exports of the commodity. Between 1980 and 1984 earnings from bauxite sales fell from 131.4 million guilders to 71 million.

In the same period the income from aluminum exports declined from 110 million guilders to 75 million, while takings from alumina export decreased from 498 million guilders in 1980 to 384 million in 1984.

Earnings from wood exports also suffered a decline during the 1980-84 period, from 21 million guilders to eight million guilders.

The income from rice exports over the same period went up from 75.3 million guilders in 1980 to 85 million guilders last year, but this has been unable to cover the shortfalls in other sectors.